

Rights Observer Backs Chechen Allegations of Brutality by Russians

By Steve Levine

Washington Post Service

GROZNY, Russia — Civilians incarcerated by Russian security forces in the breakaway region of Chechnya have been shot to death, disabled in beatings, suffocated in transport and put through mock executions, according to noncombatants recently released from one prison camp. Some civilians have also disappeared after being detained by Russian forces in Chechnya, according to relatives.

During the seven weeks of conflict, Western governments and liberal Russian politicians have focused criticism about the war on Russia's bombing campaign, which has appeared mostly to affect civilians. But accounts of violent imprisonments and disappearances appear to be new evidence of systematic brutality.

"Security people wearing masks without any insignia begin beating people brutally, using rubber clubs," said Oleg Arlov, an

observer in Chechnya for the Russian human rights commission. "They beat out their lungs and break their ribs. I can say it is sadistic."

"They are looking for a confession that a detainee is a fighter, has arms and is part of a handi formation," said Mr. Arlov, interviewed in the commission's temporary office in Nazran, west of here. "They are given two choices — confess and be sentenced to 12 or 15 years in prison, or be shot."

Officials from the International Committee for the Red Cross in Moscow have expressed concern about the reports, saying Russian officials have not permitted visits to detainees or released a list of those in custody.

Russian officials have alleged human rights violations on the part of the Chechens. They have said that the Chechens castrated Russian prisoners and strung

See CHECHNYA, Page 8

Chechen Envoy Comes Up Empty-Handed in the U.S.

By Daniel Williams

Washington Post Service

WASHINGTON — It's tough to be a foreign minister of a country no one recognizes.

You oversee ambassadors, but there is nowhere to send them. You give out passports, but no border official will stamp them. Your government issues currency, it is worthless. And on a visit to Washington, no high-level U.S. official will greet you. No smiling photos with President Bill Clinton or Vice President Al Gore, not even with Secretary of State Warren M. Christopher.

And most important to Shamsettin Yusuf, the self-described foreign minister of

Chechnya, no one will come to the aid of his country, which is enmeshed in a bloody separatist war with Russia.

Mr. Yusuf came to Washington last week to seek recognition and economic aid from the Clinton administration. He will not get either, because Mr. Clinton says that Chechnya belongs to Russia and that the war is an internal Russian matter.

Mr. Yusuf has had to settle for meeting a member of Congress here and there.

"Clinton is making a mistake," Mr. Yusuf said in a conversation the other day. "I am surprised that he says that Chechnya is an internal Russian affair. For 300 years we have never signed anything that would join us to Russia."

He pulled out a copy of Chechen money, showing a hero of a 19th-century, 46-year war against Russia as proof of Chechnya's long history of rebellion.

Clearly, Mr. Yusuf sees himself as a latter-day Benjamin Franklin, who as America's first envoy abroad persuaded France to aid the American colonists in their war against King George III.

"It's the same for the United States when it was fighting England," he said. "Was that an internal issue?"

Mr. Yusuf carries a Soviet passport, not because he is nostalgic for the past but because it is preferable to taking out a Russian passport. His pocket was full of Chechen passports, newly printed in Germany, which he displayed proudly.

Mr. Yusuf's presence in Washington is one of those awkward events that send State Department officials into a flurry of policy and protocol anxiety. Clearly, no one will meet with him officially as foreign minister, said a department spokeswoman, Christine Shelby; that would give grave offense to Russia.

Rather, he was permitted to meet Friday with a midlevel official in the department's bureau of democracy, human rights and labor affairs.

"The United States does not recognize an independent Chechnya, and we are informing him that we will therefore receive him as a private Russian citizen," Ms. Shelby said.

Even so, Russian officials summoned the U.S. ambassador to Moscow on Friday to inform him that contacts with Mr. Yusuf were unacceptable.

Soccer Fan Killed in Italy

Compiled by Our Staff From Dispatches

GENOA — A 25-year-old soccer fan was stabbed and killed before the Genoa-AC Milan Italian league game on Sunday, touching off a rampage and forcing the game to be abandoned at halftime with the score at 0-0.

Hours after the afternoon stabbing of the Genoa fan, Vincenzo Spagnolo, the police used tear gas and clubs to prevent Genoa fans from breaking into the stadium, where 3,000 Milan fans were being held to prevent further fighting.

The police said they had made no arrests.

Witnesses said that before the game, rival fans had clashed outside the stadium, running off when the police arrived and leaving Mr. Spagnolo in a pool of blood. A police spokesman said Mr. Spagnolo died at a hospital, where seven other fans were being treated for minor injuries.

"Spagnolo was attacked by a group of Milan fans and stabbed in the chest," the spokesman said.

(Reuters, AP)



SANDBAGGED — A woman in flooded Dinant, Belgium, waiting for rescue workers to deliver some food on Sunday. From the Rhineland to western France overflowing rivers have forced the evacuation of thousands, and weather experts were forecasting more rain for this week. Page 2.

Desperate for Aid, Mexico on Verge of Defaulting on Debt

Time Is Short, Finance Experts Say, As Hopes Fade for Loan Guarantees

By Alan Friedman

International Herald Tribune

DAVOS, Switzerland — A high-ranking U.S. official and a range of bankers, investors and economists warned privately Sunday that Mexico could begin defaulting on commercial or government debt obligations as early as this week, a development that would send shock waves through the world's financial markets.

Fears that Mexico might default grew Sunday as leading U.S. lawmakers said it appeared increasingly unlikely that the U.S. Congress would act soon to approve the Clinton administration's proposed \$40 billion emergency aid package for Mexico.

The package of loan guarantees is considered vital, both to provide Mexico with liquidity to meet its financial obligations and to restore confidence among investors, who have pulled funds out of Mexico and other emerging markets since the crisis triggered by the Mexican government's bungled devaluation of the peso in December.

"The dangers are very real. The implications are extraordinarily serious," said Representative Jim Kolbe, Republican of Arizona, who has been designated by the speaker of the House of Representatives, Newt Gingrich, as one of two senior negotiators on the loan guarantee package.

"With each passing day it gets tougher to get the package through Congress," Mr. Kolbe said Sunday after meetings in Davos and telephone conversations with colleagues in Washington. He added: "It is very hard to see the set of circumstances by which we can win approval in Congress."

Meanwhile, a U.S. official who had been briefed by Mexican officials disclosed to the International Herald Tribune that Mexico's foreign exchange reserves appear to have fallen in recent days to as little as \$2 billion.

In recent weeks financial experts had estimated Mexico's actual reserves much higher, at around \$6 billion. The implication, the U.S. official and investors explained, is that a default could be triggered because reserves were not sufficient to

meet either the government's obligations on dollar-linked bonds, or tesobonos, or the obligations of banks or companies with outstanding unsecured debts.

A group of senior U.S. bankers attending the annual meeting of the World Economic Forum in Davos planned to fly directly to Washington on Monday to lobby Congress for urgent approval of the Mexican aid package, a leading financial source disclosed Sunday.

The bankers decided to leave Davos for Washington after becoming alarmed about the rapid deterioration of Mexico's financial situation following their discussions with Mexican officials and financial analysts, the source said.

Financial sources also said that leading central banks, including the U.S. Federal Reserve and Germany's Bundesbank, were discussing ways of taking rapid action to assist Mexico.

The Mexican crisis is also expected to top the agenda at a meeting of finance ministers from Group of Seven industrial nations, to be held in Toronto this week.

In Washington on Sunday, the prospect of congressional approval worsened after Senator Phil Gramm, an influential Texas Republican, said in a television interview that the Clinton administration's aid package for Mexico was headed for defeat.

Senator Sam Nunn, Democrat of Georgia, echoed Mr. Gramm's remarks by saying that he was not yet prepared to vote for the proposal and warning that in the Senate, "if it came up tomorrow morning for a vote, the answer is no."

Both Mr. Gramm and Mr. Nunn said President Bill Clinton needed to do more to persuade Congress to pass the rescue package.

Among those sounding the alarm in Davos about the deepening Mexican crisis were President Carlos Saul Menem of Argentina; George Soros, a respected fund manager; David Hale, chief economist of Kemper Securities Inc.; and Enrique V. Iglesias, president of the Inter-American Development Bank.

Mr. Menem warned in an interview See MEXICO, Page 13

Ecuador-Peru Border Clashes Signal a Widening Conflict

Compiled by Our Staff From Dispatches

QUITO, Ecuador — Ecuador said Sunday that Peruvian troops firing mortars and backed by helicopters had launched a major offensive against Ecuadoran forces in a disputed border region.

Ecuadoran forces shot down a Peruvian helicopter on Sunday, an Ecuadoran government spokesman said.

It was the fourth day of clashes in the mountainous, jungle-covered area, where Peru and Ecuador fought a war in 1941 and again clashed in 1981.

Observers said the latest troop deployments on both sides were the most extensive ever.

The statement Sunday from the Ecuadoran Defense Ministry said that the country's army and air force were using all available means to repel attacks on four military outposts — those at Soldado

Monge, Teniente Ortiz, Coangos and La Cueva de los Tayos — in the Cenepa River valley.

The Ecuadoran spokesman said that seven Peruvian soldiers were killed in the escalating conflict Sunday and that an Ecuadoran soldier was wounded. Ecuador said earlier that 20 Peruvian soldiers and three Ecuadoran troops died in skirmishes Saturday. Peru has not confirmed any casualties.

In Lima, spokesmen at the presidential palace and the Foreign Ministry had no information on any new fighting.

But Peruvian radio reported that a squadron of Mirage jets had taken off from the northern city of Piura in the direction of the conflict zone and that other pilots were in their aircraft awaiting orders to take off.

Peruvian troops in northern Peru were

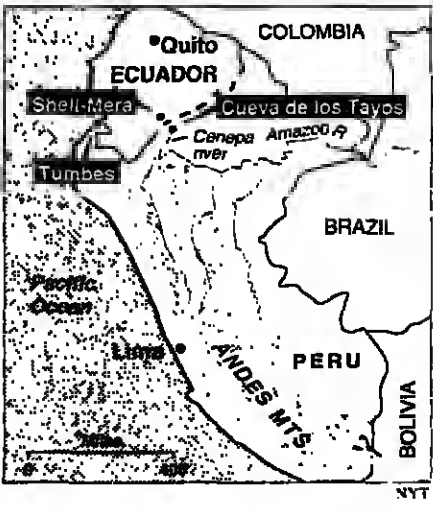
put on alert over the weekend, tanks were moved toward the border and President Alberto Fujimori flew over the area to inspect troop positions.

Ecuador's Armed Forces Joint Command said that Peruvian warplanes entered Ecuadoran air space Saturday in the south but were forced back by Ecuadoran planes.

During the weekend, hundreds of youths trekked to military barracks throughout Ecuador after radio stations broadcast government appeals for young men to report for duty. President Sixto Duran Ballen declared a state of emergency and a national mobilization on Friday.

Meanwhile, international mediators stepped up efforts to end the fighting, while the United Nations Security Council

See BORDER, Page 8



The O.J. Show, a Hit on the World Stage

By Anne Swardson

Washington Post Service

TORONTO — Calls were coming in thick and fast to the radio talk program's open line. The subject: the hairdo of Marcia Clark, prosecutor in the O.J. Simpson murder trial.

"She should have left her hair a little longer, a little fluffier," said a caller named Rita.

"She has a right to wear her hair any way she wants," countered John, another caller.

On and on they debated, captivated by the trial. This was Toronto, one of many

foreign places where residents are as fascinated as Americans by Mr. Simpson's trial on charges of killing his former wife, Nicole Brown Simpson, and Ronald L. Goldman.

The case is dinner conversation in Amman and Beirut, broadcast live in Britain, analyzed in German magazines, banneted on front pages of Israeli newspapers and smeared at in France.

The Simpson case, according to reports from Washington Post correspondents around the world, is being followed abroad not just because it is a grisly crime with a well-known defendant, but because it dis-

plays nearly every trait for which America is infamous.

"This shadowy affair combines all the ingredients of a film noir: jealousy, sex, race, violence, money, sport and drugs, along with a dog as the only witness," Catherine Delaplace wrote from Los Angeles for the French conservative daily Le Figaro. "It seems that the thirst of Americans for the most sordid details of the Simpson couple's conjugal life is unquenchable."

In Britain, the independent television network ITN spent 15 minutes last week See TRIAL, Page 8

Overachiever Fever Spreading in U.S.

By Ashley Dunn

New York Times Service

NEW YORK — On a brisk Saturday morning, while most of their friends were relaxing at home, 16-year-old Jerry Lee and eight other Asian teenagers huddled over their notebooks and calculators for a full day of math and English lessons.

During the week, they all attend public

schools in the city. But every Saturday, they trek to a Korean hagwon, or cram school, in the Flushing section of Queens to spend up to seven hours immersed in the finer points of linear algebra or Raymond Chandler.

"I complain, but my mom says I have to go," said Jerry, a Suyvesant High School student who has already scored 1,520 on the Scholastic Assessment Test for college, but is shooting for a perfect 1,600. "It's like a habit now."

Long a tradition in the Far East, where the competition to get into a top university borders on the fanatic, the cram schools of Asia have begun to appear in the United States, too, following the migration of many Koreans, Japanese and Chinese over the past two decades.

In the past 10 years, the cram schools — called *juku* in Japanese and *buxiban* in Chinese — have become a flourishing in-

dusty, thriving on immigrant parents' determination to have their children succeed.

Only a handful of cram schools existed here when the hagwon that Jerry attends, the Elite Academy, opened in 1986. Today, the Korean-language yellow pages list about three-dozen Asian cram schools in the New York area. In Los Angeles, the Chinese yellow pages list about 40.

In Asia, academic competition begins as early as age 4, as children vie for the best preschools so they can have an edge in getting into the best elementary schools. By the time they enter high school, the competition to get into a prestigious university like Seoul National University or Tokyo University is famously intense.

While the pressure to get into a good school is not nearly so extreme in the United States, the cram schools, like the See STUDY, Page 8

Newsstand Prices	
Andorra.....9.00 FF	Luxembourg 60 L. Fr
Antilles.....11.20 FF	Morocco.....12 Dh
Comoros.....1.40 CFA	Qatar.....8.00 Riols
Egypt.....E.P. 5000	Réunion.....11.20 FF
France.....9.00 FF	Saudi Arabia.....5.03 R.
Gabon.....960 CFA	Senegal.....960 CFA
Greece.....350 Dr.	Spain.....225 Ptas
Italy.....2,000 Lire	Tunisia.....1,000 D.D.
Ivory Coast.....1,120 CFA	Turkey.....T.L. 45,000
Jordan.....1 JD	U.A.E.....8.50 Dirh
Lebanon.....US\$ 1.50	U.S. Mail (Eur.) \$1.70



THE CHAMP — Andre Agassi won the Australian Open in spectacular fashion, defeating Pete Sampras. Page 17.

French to Beef Up Bosnia UN Force

PARIS (Reuters) — Defense Minister François Leotard said Sunday that France was about to send 300 more men to reinforce its 5,000 or so United Nations peacekeepers in Bosnia.

"France has decided to send 300 extra men to Bosnia, a unit of engineers plus helicopters to maintain the cease-fire that is now more or less respected in Sarajevo, though not in Bihać," he told TFI television.

He said talks were under way to open new supply roads but gave no further details about the reinforcements, which

General News

Investigators are looking into cash outlays by Bill Clinton's campaign when he was governor of Arkansas. Page 3.

Cairo's crackdown on Muslim fundamentalists cost 30 lives over the weekend. Page 2.

Book Review Page 5.
Bridge Page 5.
Crossword Page 17.

North Europe Floods Force Evacuations From Rhineland to Brittany, Towns Brace for More Water

MAASTRICHT, Netherlands—Rain drenched some of northern Europe's most heavily populated regions on Sunday, as thousands of people abandoned their homes to escape rising flood waters. Two people drowned in Germany.

Officials said water levels in the southern Netherlands, western Germany and Belgium stabilized overnight, but they predicted the floods would get much worse over the next few days.

A toddler died after wandering away from his parents in Westphalia and falling into a fast-flowing stream, a police statement said.

In the southwestern German town of Esling, a 19-year-old man drowned while trying to pull driftwood out of the Lauter River.

The swollen Rhine River rose even further in Cologne and some parts of the Old Town, the city's entertainment center, were under 2 meters (more than 6 feet) of water.

Water levels in Cologne had reached 10.4 meters by Sunday afternoon, close to the record levels of 10.63 meters of the "flood of the century" at Christmas 1993.

Farther upstream in Germany at Koblenz, where the Rhine and Moselle converge, water levels were still rising.

In other parts of Germany the situation improved, but in the Netherlands large-scale evacuations were under way.

"The weather forecast is very bad," said Gerard van der Zanden at the regional emergency headquarters in the Dutch city of Maastricht. "As much as 20 millimeters of rain is expected in the next day, a week's worth of rainfall for a normal January, and 60 square kilometers of land is already under water."

By Sunday morning more than 6,500 people had been evacuated from towns and villages along a 90-kilometer (56-mile) stretch of the Meuse River in the province of Limburg.

Three people died in accidents caused by severe flooding in southern Belgium, and with more rain forecast, flood levels on the Meuse could exceed those of 1993, officials said.

Six people have died in accidents caused by storms in Belgium during the past week.

In France, where 16 people have died, hundreds of people were evacuated from their homes during the night in Charleville-Mézières, where the Meuse burst its banks.

About a third of the small Normandy coastal resort of Ouistreham was also reported flooded.

In Paris, the Seine neared 4 meters above normal Sunday, having forced the closure of riverside expressways since last week. River traffic, including the glass-covered tour boats, was shut down.

About 140,000 residents in the Seine-Maritime department of Normandy were forced to boil water to drink, and scattered power outages affected thousands.

Weather forecasters said more rain and high tides were predicted later on Sunday in Brittany, where entire neighborhoods of towns such as Redon and Quimperle were flooded.



Lionel Jospin, left, chatting with President and Mrs. Mitterrand at a Socialist Party luncheon in Chateau-Chinon.

Mitterrand Sets May 8 for His Farewell

PARIS—President François Mitterrand has chosen as his last major public appearance the celebration on May 8 marking the 50th anniversary of the German surrender, Interior Minister Charles Pasqua said Sunday.

The event, scheduled a day after his successor is to be elected, will be attended by "60 or 70 foreign heads of state," Mr. Pasqua said in a television interview. Mr. Mitterrand has cancer.

Earlier, Mr. Mitterrand said that he would not reveal a preference between the two Socialist Party candidates who want to succeed him as president, Henri Emmanuelli and Lionel Jospin.

Speaking in the central town of Chateau-Chinon, where he was mayor for many years before becoming president in 1981, Mr. Mitterrand said he thought it was "completely normal" for the party to allow the two to face off in presidential primaries.

About 103,000 party members are to vote Feb. 3 at the local constituency level for either the party chief, Mr. Emmanuelli or Mr. Jospin, a former education minister. A party congress will approve the choice two days later.

The president denied rumors that he secretly favored Raymond Barre, a former center-right prime minister and finance minister, for the presidency. Mr. Barre was prime minister under President Valéry Giscard d'Estaing.

WORLD BRIEFS

Pope Speaks Out on Anti-Semitism, Calling Auschwitz 'a Triumph of Evil'

VATICAN CITY (Reuters)—Pope John Paul II made one of his strongest condemnations of anti-Semitism on Sunday and said the world should make sure it never again has to cry over "other, modern-day Auschwitzes."

Calling Auschwitz "a triumph of evil," the Pope declared: "Never again anti-Semitism. Never again the arrogance of nationalisms. Never again genocide." The Pope's forceful words marked one of his strongest defenses of the rights of Jews and one of his most dramatic condemnations of the Nazi attempt to exterminate them.

He also appeared to take sides with Polish authorities in a dispute with Jewish leaders over the ecumenical tone of last week's commemorations of the 50th anniversary of the death camp's liberation, saying innocent people of various nationalities died there.

The Nazis killed 1.5 million people at the Auschwitz-Birkenau complex. In addition to Jews, who made up 90 percent of the victims at Auschwitz, tens of thousands of Polish Roman Catholics, gypsies and members of other ethnic groups were also killed.

Israel Extends Its Border Closure

JERUSALEM (Reuters)—Israel on Sunday extended its closure of the West Bank and Gaza for another week and urged the Palestine Liberation Organization to use an iron fist against Islamic guerrillas in exchange for a long-delayed Israeli troop pullout from occupied land.

Prime Minister Yitzhak Rabin was quoted by ministers as saying at the weekly cabinet meeting that the peace process with the PLO was at a crossroads and that "terrorism has become a strategic danger." As the cabinet met, the police announced a first step toward an envisaged separation—the deployment this week of guard dogs along the frontier with the West Bank.

Libya Refuses Maghreb Union Post

TUNIS (Reuters)—A Libyan government minister said Sunday that Tripoli had turned down the leadership of the Arab Maghreb Union, which it was due to assume later this year, because of the Lockerbie affair.

Jonas Fazzani, Libya's minister for (pan-Arab) unity, said Tripoli would not take its turn at the post because the other members of the five-nation group were implementing sanctions imposed by the United Nations against Libya over the 1988 Pan Am airliner bombing. The plane fell on Lockerbie, Scotland.

Asked whether the decision was linked to the Lockerbie affair, Mr. Fazzani said: "This is one of the problems. Despite the fact that each day new facts appear clearing Libya in the Lockerbie affair, the AMU was not able to stop implementing the sanctions." Libya has been under sanctions since 1992 for not handing over two Libyan suspects in the bombing.

Pakistan Seizes 170 Tons of Hashish

ISLAMABAD, Pakistan (AFP)—The police confiscated 170 metric tons of hashish and 480 kilograms of heroin on Sunday in what they called the biggest drug seizure in the country's history. Nineteen people were arrested, and various weapons and munitions were confiscated.

The operation took place at a 20-room house in the town of Bara, near Peshawar, the capital of North-West Frontier Province, and involved thousands of police officers.

The raid triggered a confrontation with tribal members that left three people dead and eight injured, including a police officer.

Burmese Rebels Defend Last Base

BANGKOK (Reuters)—Ethnic Karen rebels and Burmese government troops fought skirmishes Sunday around the town of Manerplaw, two days after the ethnic insurgents were driven out of their jungle headquarters for the first time in 21 years.

Karen National Union defenders were clinging Sunday to their last major base, at Kaw Moo Ra, south of Manerplaw, despite heavy bombardment. KNU sources, said by telephone: "More than 100 shells have landed in the camp," one source said.

The loss Friday of the Manerplaw strategic base has cast doubt on the future of the rebel alliance of students, pro-democracy campaigners and ethnic groups. Besides serving as the focus of the Karen autonomy struggle, Manerplaw was a rallying point for the All Burma Students' Democratic Front and other opponents among the country's main Burman ethnic group.

Cambodia on Track for U.S. Arms

PHNOM PENH (AP)—The United States will consider supplying weapons to Cambodia once it has reformed its armed forces, a senior U.S. official said Sunday.

Deputy Secretary of State Strobe Talbott said consideration of supplying weapons would be justified after a thorough reorganization of the country's notoriously inefficient and corrupt forces. Cambodia's army had more than 2,000 generals and thousands of colonels before the first reforms were implemented in September 1994, which reduced the number of generals to about 100. Further reductions are expected.

Mr. Talbott said that while Washington assesses the reforms, it would continue to help with land mine removal and other humanitarian assistance designed to help rebuild the country's war-damaged infrastructure.

TRAVEL UPDATE

U.K. to Examine Chunnel Security

LONDON (Reuters)—The Department of Transport says it has ordered an immediate report following newspaper allegations that lax security made the Channel Tunnel vulnerable to bomb attacks. The Observer said investigations by its reporters disclosed negligent security on passenger trains and car shuttles using the tunnel linking Britain and France.

"At Waterloo they were able to board the train without having their luggage checked or X-ray-scanned, abandon a large hold-all on the baggage rack and leave the train before departure without being challenged by security," the Observer reported. It added that reporters were also able to open low-security locks to get into storage areas on car shuttles and passenger trains and that mandatory security procedures were regularly ignored.

A spokesman for Eurotunnel said: "If we had told the Observer what our security procedures were, they would have realized that their article is flawed and amateur and it would have compromised our security." The spokesman declined to answer further questions.

Flight traffic at Brussels' international airport returned to normal Sunday after labor action by Sabena cabin crews disrupted schedules. Thirty-five flights of Belgium's national carrier were either delayed up to four hours or abandoned Saturday after the cabin crews held go-slow actions to protest what they call excessive flying hours. Sabena crews fly up to 650 hours per year, about 100 more than British Airways pilots, the association of Sabena crews said.

British Airways will resume flights to Lebanon in late February after a 15-year break that began when security in the Middle Eastern country deteriorated.

The Dominican Republic has canceled the operation permits of three airlines for failing to meet safety standards. The three airlines, Jet Express, Victoria Air and Dominican Air Services, were shut down after a team of technicians inspected their facilities last week at Herrera International Airport.

This Week's Holidays

Banking and government offices will be closed or severely curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Nepal, South Korea, Taiwan.

TUESDAY: Brunei, China, Hong Kong, Macao, Malaysia, Singapore, South Korea, Taiwan.

WEDNESDAY: China, Hong Kong, Macao, Malaysia, Mongolia, Singapore, South Korea, Taiwan.

THURSDAY: China, Hong Kong, Liechtenstein, Macao, Mongolia, Taiwan.

FRIDAY: China, Mongolia, Mozambique.

SATURDAY: Angola, China, Nepal, Sri Lanka.

Sources: J.P. Morgan, Reuters.

30 Die in Cairo Crackdown on Militants

CAIRO—Security forces on Sunday pressed on with a crackdown on Muslim fundamentalists after a weekend of violence in southern Egypt that left 80 people dead.

The toll included 20 militants, 8 policemen and 2 civilians killed in seven clashes in four southern provinces.

In the latest incident villagers shot and killed a militant who opened fire Sunday as they tried to capture him in Qena to hand him over to police officers investigating about 15 attacks on the police in Upper Egypt, the official Middle East News Agency said.

The police also rounded up 16 militants from caves in Minya Province, close to the marble quarry in the eastern desert where on Saturday they killed 12 fundamentalists in a seven-hour gun battle.

About 80 people have died in political violence in January.

Violence has continued despite a pledge by President Hosni Mubarak last week that his government was determined to crush the fundamentalists.

The militants, hit hard by arrests and executions, have made a vigorous revival this year, undermining the government's repeated claim that it has broken the back of the movement.

Security forces have been empowered to shoot and kill militants resisting arrest. The government has offered amnesty to those who renounce violence, but says it will show no mercy for those threatening national security.

Marchers Condemn Basque Separatists

BILBAO, Spain—About 100,000 people marched through this city in an annual demonstration to demand peace in the troubled Basque region and to pay tribute to a politician killed last week in the latest attack attributed to separatists.

Crowds who gathered for a rally at the end of the two-hour demonstration on Saturday were told that the armed separatist group ETA "continues trying to impose itself on the Basque people, accumulating deaths instead of arguments."

One speaker added: "But they needn't tell us that they do it in the name of the people, which has demonstrated a thousand and one times its repugnance for their murderous methods."

The demonstration came five days after Gregorio Ordóñez, a deputy for Spain's leading center-right opposition Popular Party, was shot in the head while lunching in a bar in the Basque city of San Sebastián.

The attack was believed to be the latest by ETA in its violent 27-year-old campaign for the independence of northern Spain's three Basque provinces. A week earlier separatist gunmen shot a national police officer in what was ETA's first killing this year.

ETA, a Basque-language acronym for "Basque Homeland and Liberty," has claimed responsibility for 745 killings since taking up arms.

An outspoken critic of ETA, Mr. Ordóñez was a favorite to win the mayor's seat in San Sebastián in upcoming municipal elections.

Italy's Rightists Reject Fascist Heritage

By Celestine Bohlen
New York Times Service

FIUGGI, Italy—In the final hour of Italy's neofascist party, as it died this weekend to make way for a more moderate successor, a wave of emotion swept through the delegates. Some wept, others sang the old party anthem, and a few leaped on their chairs to throw out their right arms in one last demonstration of the fascist salute.

The Italian Social Movement, a party formed in 1946 by Mussolini's followers, was gone. It was replaced by the National Alliance, which, as an embryonic umbrella organization, passed its first test in Italy's elections last spring with 13.5 percent of the vote.

"It was our family," explained Antonio Pezzella, a 46-year-old deputy from Naples, as he emerged from the congress hall in Fiuggi with tears in his eyes. "Today, we are abandoning our fathers' house and moving into our own. Tonight, I thought of my father, and all these emotions came rushing out."

Various events conspired to give birth this weekend to the National Alliance as a party, the first respectable rightist party to emerge in Italy since World War II, and one that many now consider a formidable contender in its ever-shifting political sweepstakes.

It took the political upheaval of the last few years, which began with a wave of corruption scandals and ended with the collapse of the old party system. It took Gianfranco Fini, a suave 43-year-old leader who had the diplomatic skills to build a modern party without alienating an old guard still openly nostalgic for Mussolini.

But most of all, it took time—five decades—from the time that Italy's last true fascists were flushed from the Italian political system, leaving behind a troubled legacy that their heirs have only now been able to shake off.

"This congress was historic because after 50 years, it was able to resolve the whole fascist question, which had been open until now," said Gennaro Maggieri, editor of *Secolo d'Italia*, the party newspaper.

The charter of the new party underscores its commitment to democratic values which, it said explicitly, fascism had "trampled underfoot." It codemans racial hatred as a "form of totalitarianism," and "all forms of anti-Semitism even when they are hidden under the sheen of anti-Zionism and anti-Israeli polemic."

The old anthem, "Hymn to Rome," was replaced by one ome, "Liberty," on sale this weekend in cassette-form, along with cigarette lighters, key chains and other paraphernalia bearing the blue-and-white symbols of the new party as well as portraits of Mr. Fini.

In his closing speech Sunday to the National Alliance congress, Mr. Fini again drew the line against any echoes of fascism. "Nobody ever again will be able to say that the right is synonymous with nostalgia," he said. "There are no nostalgics here. The nostalgics are those who want to deny the evidence."

Police Pull Plug On a Plumber's Business Scheme

PHILADELPHIA—A plumber has been arrested and accused of trying to drain his competitors of potential business by using call-forwarding to siphon off their customers.

Michael Lasch, of Levittown, Pennsylvania, called Bell Atlantic and ordered an "ultra call-forwarding" service for phones listed in the names of at least five rival plumbing companies, the police said.

He used the service—which allows people to forward calls from one telephone by punching in a number code from any other phone—to intercept calls placed to the other plumbers, according to the authorities.

Mr. Lasch, who apparently started the scheme in mid-December, was charged with theft by deception, criminal attempt, unlawful use of a computer, criminal trespass and impersonating an employee.

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THE AMERICAS / ARKANSAS QUESTIONS

Inquiry Targets Clinton and 'Street Money'

By Susan Schmidt and Sharon LaFraniere
Washington Post Service

WASHINGTON — Kenneth W. Starr, the independent counsel in the Whitewater affair, is investigating possible improper payments to black ministers by Bill Clinton's gubernatorial campaign in Arkansas, according to sources familiar with the inquiry.

Mr. Starr is examining allegations that Clinton campaign workers distributed cash in amounts of up to several thousand dollars to ministers with the understanding they would endorse Mr. Clinton and help get out the vote, sources said.

Arkansas law bars cash disbursements of more than \$50 by a campaign. Much of the effort to get out the vote was handled by a longtime Clinton aide who is now a senior official with the Democratic National Committee.

Mr. Starr's office and the FBI are examining Mr. Clinton's gubernatorial

response to questions posed by U.S. News & World Report, Mr. Lindsey said the 1990 campaign "made traditional, legal, and publicly reported, 'get-out-the-vote' efforts."

The statement said the campaign spent "slightly over \$33,000 in the primary and \$50,000 in the general election campaign for such traditional activities as literature distribution, door knockers, rides to the polls, campaign visibility at the polls, etc."

"Because of the large number of campaign workers involved and the small dollar amount of each individual expenditure, cash withdrawals and expenditures were made with respect to these activities," the statement said.

The black vote, which Mr. Clinton won overwhelmingly during the 1980s, was a cornerstone of his political base.

Carol Willis, a longtime Clinton aide who is now an official with the Democratic National Committee, handled much of the effort to garner the vote for

Mr. Clinton in Arkansas' black community.

Mr. Willis declined to comment about whether he had been questioned by Mr. Starr or the FBI about payments to ministers.

Doug Heyl, a senior aide in the 1992 Clinton presidential campaign, said there was nothing sinister about cash distributions during a campaign.

"If Carol Willis gave more than \$50 to somebody, that person was going to distribute it to his campaign workers," Mr. Heyl said. "The reality is this is not anything different than happens in every campaign in every state in the country on both sides."

"You pay for drivers, you pay for people's gas," he said. "The bad word for it is 'street money,' which makes it sound like some sleazy thing and that's not the case. If you try to do it with checks, you have to get people's Social Security numbers and you have all that other bookkeeping."

ship of both chambers of Congress to approve any federal income tax increases.

It is a proviso on which the freshmen Republicans at least partly staked their political careers.

(Jerry Gray, NYT)

POLITICAL NOTES

A Too-Easy Test for Gramm

PHOENIX, Arizona — A Republican presidential straw poll has ended with Senator Phil Gramm of Texas running virtually unopposed to an easy victory at an Arizona state Republican convention.

Mr. Gramm carried 54 percent of the votes in a contest the other leading competitors for the 1996 Republican presidential nomination essentially conceded to the Texas senator.

Indeed, the Senate majority leader, Bob Dole of Kansas, had his name removed from the printed ballot, and both former Governor Lamar Alexander of Tennessee and former Vice President Dan Quayle also sought to be removed, although the state party said they made their requests too late.

Patrick J. Buchanan, a conservative columnist, finished second with about 13 percent of the vote. Several other candidates split the remaining votes.

(LAT)

Newcomers' Dose of Reality

WASHINGTON — For the 73 Republican freshmen whose only taste of Washington has been the sweetness of victory that comes with being part of the majority, last week brought the first bitter-sweet dose of reality.

Bowing to pressure from the Republican leadership, all but two of the freshmen joined their more senior party members in voting to pass a balanced-budget amendment that had been watered down to make it politically palatable to House Democrats and Republican moderates in the Senate.

The legislation was the centerpiece of the Republican House members' "Contract With America." But to attract Democratic votes, the leadership of the Republican majority shifted its support to a bipartisan bill that drops language that would have required the consent of three-fifths of the entire member-

Ladies' Day at the Alfalfa Club

WASHINGTON — Last year, when he arrived late to the Blue Jeans Bash, a gathering of Arkansas, President Bill Clinton apologized for his tardiness and pointed to his tuxedo, explaining, "We just went to this sort of stuffy dinner."

But once again, the president and first lady had plans to attend that "stuffy dinner," the Alfalfa Club's annual roast.

In his first year in office, Mr. Clinton skipped the annual dinner held by the 82-year-old club of Washington's political and corporate elite — the male elite, that is, until last year.

Perhaps taking a hint from the absence of Mr. Clinton, the Alfalfans inducted three influential women into their ranks: Justice Sandra Day O'Connor of the Supreme Court; Elizabeth Dole, president of the American Red Cross; and Katherine Graham, chairman of the executive committee of The Washington Post Co. Anne L. Armstrong, a former ambassador to Great Britain, is among the seven new members this year.

The decision to attend won praise from a women's advocacy group.

(NYT)

Quote/Unquote

Senator Hank Brown, Republican of Colorado, following a meeting President Bill Clinton held with governors and members of Congress to discuss welfare reform: "Both sides are serious and intend to move ahead with a bill. Today's session brightens considerably our chance to get a bill. This issue is on the front burner."

(NYT)

Away From Politics

- An earthquake measuring 4.7 on the Richter scale jolted a long stretch of the Pacific coast of North America but caused no casualties or damage, the authorities said. Its epicenter was 20 miles (32 kilometers) southwest of Seattle, but the quake was felt from British Columbia to Salem, Oregon, the Alaska Tsunami Warning Center said. (AP)
- Police officers chasing a team of pickpockets swarmed into a subway station at New York City's Rockefeller Center and snared two suspects. But the episode turned into a nightmare for hundreds of people in the station and on stalled trains. Gunshots were heard and hundreds of terrified civilians fell prone as officers with drawn guns dashed through the station. One officer apparently shot himself in the leg, a woman was wounded in the foot, perhaps by a ricocheting slug, and at least five passengers were felled by heat exhaustion on trains whose doors were kept locked during the hunt. (NYT)
- After a decade-long effort to consolidate New York City's three police forces, the last major obstacle to the merger of two of the departments — the transit and city police — have been removed. The board of the Metropolitan Transportation Authority reluctantly approved the merger, and leaders of the union representing transit officers said they were dropping their opposition to the plan. (NYT)
- A church van carrying children home from a basketball game collided with a bus on a slippery road and burst into flames near Tolono, in central Illinois, killing the van's driver and all six of his young passengers. The 11 people on the bus suffered minor injuries. (AP)
- A gunman who opened fire in a cereal plant in Cedar Rapids, Iowa, killing two workers and wounding two others, was arrested after holding off the police at his home for two hours. The suspect, Gerald Rieffin, 35, has been charged with two counts of murder and two of attempted murder. The police said they did not know what had triggered the violence. (AP)
- An FA-18 navy fighter crashed off California during a training flight. A search for the pilot was under way. It was the fourth crash of a navy fighter in the area this month. (AP)
- The man accused of killing two people in a shooting spree in Chapel Hill, North Carolina, last Thursday told the police he had wanted to open fire a day earlier on the 21,000 fans going to a basketball game at the University of North Carolina, a local newspaper reported. The Herald-Sun said that Wendell Williamson, a 26-year-old law student, had planned for months to attack Chapel Hill residents. (AP)

The Rising Conservative Tide

New Republican Majority Starts to Flex Muscle in Senate

By John H. Cushman Jr.

New York Times Service

WASHINGTON — The Senate has approved legislation making it harder for Congress to impose costly new requirements on state and local governments without providing the money for them. The 86-10 vote gave bipartisan approval to one of the central elements of the Republican legislative agenda.

It also ended three weeks of debate in which Democrats tried in vain to limit the measure's scope. In the end, many ambivalent Democrats joined enthusiastic Republicans to support a measure that is broadly popular with governors and mayors and that President Bill Clinton has endorsed.

The bill, which its supporters said would shift power to the states and change their relationship from paternalism into partnership, is a central plank in the Republicans' "Contract With America."

Its passage by the Senate showed both the muscle of the new majority and the determination of the Democrats to oppose what they consider legislative haste for its own sake.

The Senate's action was the second time in a week that lawmakers had voted by wide margins for measures that conservatives have crusaded for years to enact. On Thursday, the

House voted in favor of amending the U.S. Constitution to require a balanced federal budget. The Senate has yet to vote on this measure.

The two votes are related, because many local officials fear that the federal government will eventually seek to cut its own budget by making states and cities pay for more of their own needs.

In the House, passage of a companion measure is considered a near certainty.

Although the legislation would not actually prohibit what are known as "unfunded federal mandates," it would set up procedural barriers to imposing them. Congress would promise to estimate the costs to the states of most new laws and to pay those costs unless there was a separate vote to break that pledge.

There are many examples of federal mandates that are largely paid for by the states, ranging from education and labor laws to welfare programs. Among the most widely discussed are environmental laws on water pollution.

The opponents of the unfunded mandates bill in the environmental movement have warned that it could lead to more sewage contaminating rivers and less being done by cities to purify drinking water.

Even as the measure moved

ahead, partisan sniping continued over what the Democrats have accomplished by slowing it down.

But Democrats insisted that most of the time had been taken up passing amendments that improved the bill in important technical ways, something they said would not have been necessary had the measure not been rushed through drafting by committees earlier this month.

James P. Grant, 72, Unicef Director, Dies

New York Times Service

James P. Grant, 72, the American foreign aid expert who, in 1980, became executive director of Unicef and made it into a major force for helping children, died of cancer Saturday in Mount Kisco, New York.

Mr. Grant resigned from the United Nations Children's Fund last week, citing illness.

The direction and urgency he gave to Unicef have widely been credited with helping to save millions of children's lives. Mr. Grant, who had also been an undersecretary-general of the United Nations, was still traveling and promoting what he called his "child survival revolution" until late last year.

Mr. Grant, who was born in Beijing, the son of a public health expert working in Asia, began his career in international service in the 1940s, working with the UN Relief and Rehabilitation Administration in China.

In 1962, he became deputy assistant secretary of state for Near East and South Asian affairs and a deputy director of the International Cooperation Administration.

Three years later, Mr. Grant was appointed an assistant administrator of the Agency for International Development, serving until 1969, when he helped found the Overseas Development Council and became its president and chief executive officer. He remained there until moving to Unicef in 1980.

Edward Hidalgo, 82, a Mexican-born lawyer who was secretary of the navy in the Carter



Mr. Grant at an Ivory Coast community center last June.

administration, died of cardiac arrest Saturday in Fairfax, Virginia.

Jean Tardieu, 91, a French poet, playwright and translator whose work spanned seven de-

acades, died Friday in Créteil, outside Paris.

Richard A. Moore, 81, a lawyer and communications executive who served as special counsel to President Richard Nixon and was ambassador to Ireland, died of prostate cancer Friday in Washington.

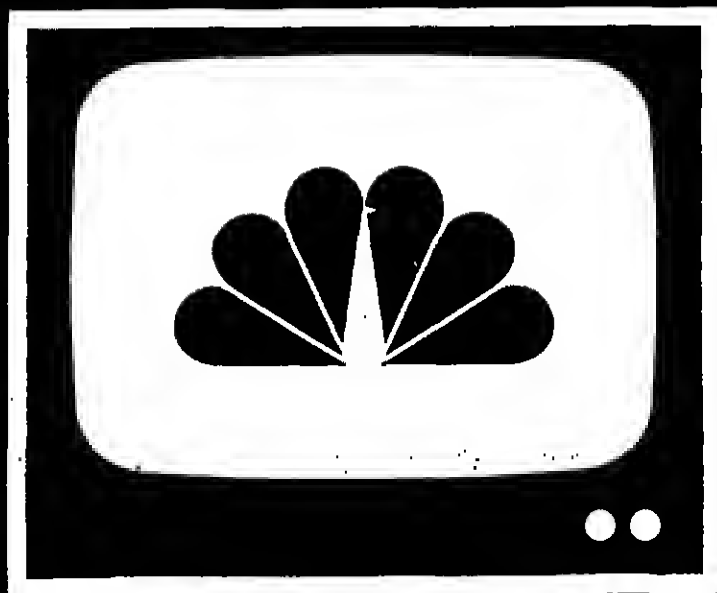
Albert S. Harrison Jr., 88, who was Virginia's governor from 1962 to 1966 while the state struggled with school desegregation and later spent 14 years on the Virginia Supreme Court, died Monday in Lawrenceville.

Richard L. Roudsbush, 77, a former Republican congressman from Indiana and head of Veterans Affairs from 1974 to 1977, died of pneumonia Saturday in Sarasota, Florida.

Joseph Mink, 91, a former mayor of Buffalo, New York, and congressman during World War II who took up as his cause the occupation of Poland by the Soviet Union, died Saturday in Lancaster, New York.

George P. Baker, 91, dean of the Harvard Business School in the 1960s and a leading authority on transportation, air defense and the organization of business and government, died Wednesday following a stroke in Phoenix, Arizona.

Dr. Lemuel W. Diggs, 95, who spent more than 60 years as a national leader of research into sickle-cell anemia and helped the actor Danny Thomas establish the aims of the St. Jude Children's Research Hospital in Memphis, Tennessee, died on Jan. 8 in Memphis.



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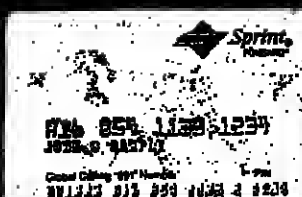
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Bahamas	1-800-369-2111	El Salvador	00502-12	Hong Kong	00852-252-2224	Portugal	00351-21-877
Bahrain	800-777	Finland	00358-9-100-100-3	Hungary	0036-1-2224	Puerto Rico	1-800-877-8000
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British Virgin Islands	1-800-877-8000	India	0091-11-222-2224	Morocco	00212-5-577-8000	South Africa	0027-11-177-177
Bulgaria	00359-2-1010	Indonesia	0062-21-877-8000	New Zealand	0064-9-577-8000	Spain	0034-91-000-011
Canada	1-800-877-8000	Iran	0098-21-877-8000	Nicaragua	00502-2-100-011	Sweden	0046-8-777-8000
Chile	0056-2-100-011	Israel	00972-3-877-8000	Norway	0047-22-000-011	Switzerland	0041-1-877-8000
China	800-13	Italy	0039-2-100-011	Peru	0051-1-877-8000	Syria	00963-11-177-177
Colombia	0057-1-100-011	Japan	0031-131	Philippines	0063-2-100-011	Taiwan	00886-2-100-011
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Herald Tribune

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India's Flawed Democracy

India boasts, accurately, of being the world's biggest democracy. But its democracy can be as superficial as it is big.

Multiparty elections are regularly held, opposition parties occasionally win, and when Indira Gandhi tried to establish an outright dictatorship in the 1970s, India's people drove her from power. These are no small accomplishments anywhere, and contrast favorably with the situation in most of India's Asian neighbors.

Yet India's elections, particularly at the state level, are notoriously corrupt and violence-prone. The country's aggressively independent election commissioner, T. N. Sheshan, has pressed hard for a modern, fraud-resistant voter identification system. He has tried to discourage vote-buying, abuse of incumbency and the fanning of caste animosities for electoral purposes, but so far he has had only limited success. One party, the Congress Party, has held national power for 40 of the 47 years since India became independent. Indeed, one family dynasty, consisting of Jawaharlal Nehru, his daughter Indira Gandhi and her son Rajiv, ruled for 38 of those years.

Congress and the Nehrus have been genuinely popular. But Indira Gandhi's reckless manipulation of religious passions and other local tensions created powerful backlash movements that now cloud democracy's future. New Delhi has also abused its constitutional power to remove elected state governments if it does not like and impose lengthy periods of appointive "president's rule."

Worse, in recent years several states with serious separatist unrest, like Punjab in the 1980s and Kashmir and Assam today, have been subjected to broad-brush repression. An emergency anti-ter-

rorism law, "temporarily" imposed during the Punjab crisis a decade ago, remains in force and has been widely abused to detain, without charge or trial, journalists and nonviolent dissidents.

In Muslim-majority Kashmir, Indian security forces, responding to the provocations of pro-Pakistan terrorists and urged on by Hindu extremists, have waged their own campaign of state terrorism, including reprisal killings. Villages have been burned down and suspects executed without trial. There have also been numerous reports of torture and "disappearances" leading to the deaths of hundreds of civilians. New Delhi has done little to restrain the violence or punish the guilty.

During these same years, India has initiated ambitious, market-oriented reforms. As it seeks to attract foreign capital, it would prefer not having to answer questions about human rights abuses. Regrettably, the Clinton administration has been an obliging partner in India's efforts at concealment. Administration officials have systematically ignored human rights issues on recent high-level public visits, like the one just completed by Commerce Secretary Ron Brown. Transfixed by its own hype about big emerging markets, Washington now offers the world's biggest democracy the same speak-no-evil treatment it gives neighboring China, the world's biggest dictatorship.

That condescending silence insults Indians and misleads Americans. Deepening or even preserving Indian democracy is not primarily America's responsibility. But ignoring the serious problems of Indian democracy today invites unpleasant surprises tomorrow.

—THE NEW YORK TIMES.

Paying for Peacekeeping

Say this for the Republicans' "Contract with America": They are forcing scrutiny of programs and problems much in need of it. Take the question of paying for international peacekeeping missions. The United Nations has lurched from crisis to crisis, alarm to alarm, and is billions in the red. The United States has its own raggedness — the executive branch may vote for a UN intervention, but Congress must decide whether to vote the money.

Heading into this tangle, the Republican Contract addresses the complaint of "double billing": that the United States pays a first time for peacekeeping operations as assessed by the United Nations and a second time in voluntary in-kind payments for humanitarian relief, international peace aid, law on its own. Credit the in-kind payments against the assessed contributions, Republicans suggest. Certainly it sounds like an idea worth considering.

But Secretary of State Warren Christopher laid out compelling objections to it last week. The United States will always want to undertake some operations on its own to advance its national interests, he told Congress. Currently, such operations include the arms embargo against Serbia, the no-fly zone in Bosnia and support of Kurds in northern Iraq. But to

credit the cost of such voluntary actions against UN assessments would encourage others to follow suit, and the numbers being what they are, would shut down all UN peacekeeping missions overnight. Mr. Christopher warned. At each new emergency, the Republican proposal would force an unacceptable option between "acting alone and doing nothing."

Few now deny that some of the post-Cold War peacekeeping missions that the United Nations was ordered to launch by its members (in every case including the United States) were carelessly conceived and executed. The Clinton administration itself has retreated from its earlier embrace of a hopeful multilateralism into a more selective approach. It asserts a right to intervene on its own to serve American "vital interests," and holds open the door for UN peacekeeping elsewhere "under the right conditions."

U.S. casualties in Somalia came to make the UN operation there a metaphor of failure. America now sees Haiti, where a U.S.-led regional coalition operates under UN mandate, as a model for the future, at least in places where a responsible and strong regional power is on hand. Democrats and Republicans now share a responsibility to make it come out right.

—THE WASHINGTON POST.

From Stone Age to Internet

The discovery happened the way it always seems to with cave paintings, those most stirring and historically rare finds from the past. Some explorers near Avignon, France, last month felt a draft blowing out of the ground and followed it, only to find long-blocked caves with human and bear footprints, flint tools and an unbelievable cache of Stone Age cave paintings. But what happened next was not much like what always happens. As of last week, a bare month after the stunning discovery, images of some of the nearly 300 paintings and engravings were available for viewing on the Internet and have been zipping around the world on commercial and noncommercial information systems, accompanied by some explanatory pages (in French) and the photo and e-mail address of the French cultural official who took the trouble to load them on. Whatever magic the unknown Stone Age painters thought they were summoning up (that is one of many fuzzy theories as to why masterpieces like these exist), it could not have topped this wonder of access and distribution.

People worry about the relative sparseness of cultural information that cruises the net, but if this is the direction things are going to take, the problem may eventually evaporate. For now, although a handful of dedicated scribes are typing serious books onto the Internet, a huge majority of the 27 million or so people hooked onto it are reading recent journalism or government statistical information or swapping jokes. Copyright problems

and the discomfort of reading long works of, say, literature on one's immovable computer screen almost guarantee that progress will be slow in this direction.

But if anything is a candidate for wide dissemination, it is delicate and hard-to-see art works like the cave paintings of Neolithic Europe, whose great age (the new ones are said to be about 20,000 years old) and extraordinary fragility have sharply reduced access to them by tourists. The well-known caves at Lascaux, also in France, used to be open to the public, but even the breath of visitors and the microbes on their shoe soles turned out to cause them hazard, and they now are shown only in glimpses to people who may wait years for an opening on the guest list. At other sensitive sites whose discovery, while thrilling, may well have been the beginning of their ultimate loss through deterioration (the tombs in the Valley of the Kings in Egypt, for example), officials have struggled with this problem, and some sites (including Lascaux) have gone so far as to construct exact replicas for visitors.

How much more dramatic and less difficult, at least as a first step, to do what the discoverers of this new batch have done, and simply load the images onto a snazzy graphic part of the electronic universe called the World Wide Web. For those who understand such things, the place to find it is called <http://www.culture.fr/gvpda/btm>. For those who don't, just call it magic.

—THE WASHINGTON POST.

India Keeps Failing the Democracy Test in Kashmir

By Adam Davidson and Brian Brown

NEW YORK — Last Thursday's bombing of a rally in the Indian state of Jammu and Kashmir, in which at least eight people were killed, was rare in only one respect. It received international media attention. For the people who live in India's only state with a Muslim majority, it was business as usual.

The bombs were apparently set off by Muslim militants intent on seceding from India and joining Pakistan, but the

gunned down by the soldiers, who then fired indiscriminately on the civilians in the vehicle. Ten passengers, including two women and a child, were killed. At least 13 more were injured.

The next day, in an overcrowded and undersupplied hospital in Srinagar, we talked with the wounded.

A 9-year-old boy described how a bullet ripped into his wrist as he sat on his mother's lap. He was unaware that she lay in a coma in a nearby hospital. The government reported that the civilians were caught in a "cross fire."

The violence has its roots in the 1947 partition of Pakistan from India. The maharajah of Kashmir, a Hindu, hesitantly joined India after it promised him a plebiscite to determine the final disposition of the state. This promise was never met, and resentment simmered for four decades. In 1987, widespread protests followed a disputed state assembly election, and the Indian government sent in troops. By 1990 it was a full-blown uprising, reportedly fueled by Pakistani arms.

The Indian government has made some token efforts to appease Muslim Kashmiris. Last year it released three prominent political prisoners, announced a \$240 million spending package for the

region and promised that there would be new state elections this summer.

But this is not enough. Between 10,000 and 20,000 Kashmiris have been killed in the violence since 1989. Accurate figures are difficult to obtain because the government does not allow human rights groups to conduct investigations of abuse.

About half of the casualties are unarmed civilians, the vast majority being Muslim. Civilians injured by gunfire are often left to bleed where they lie because the border forces detain ambulances.

Those forces routinely torture, kidnap and rape innocent Muslims with impunity, and the Jammu and Kashmir police have been stripped of any real power to investigate the crimes.

Most incidents follow the same pattern. Border forces are ambushed, the attacker escapes, the soldiers grab any Muslim nearby, slap or rifle-butt a confession out of him, and shoot him on the spot or take him in and torture him. Victims have told of being subjected to a "rolling," in which a heavy wooden pin is rolled over the thighs, producing toxins that can cause kidney failure and death.

New Delhi has largely abdicated power to the state government, which relentlessly cracks down on all opposition, nonviolent

or militant. It has virtually destroyed the leading moderate political movement, Jammu and Kashmir Liberation Front, thereby eliminating almost any chance for peaceful dialogue. This, of course, serves the Muslim extremists, who commit their own share of atrocities.

The Indian government could quickly improve the situation by sending independent officials to monitor the troops, investigate all shootings and accusations of torture and mete out real punishment. Soldiers found guilty of abuse have generally received no punishment beyond expulsion from the border forces.

International pressure on India — and on Pakistan to stop supplying the militant groups — would also help. Washington has offered nothing but rhetoric. It should threaten to withhold economic aid and cut trade agreements until the abuses are stopped and international human rights groups are allowed into Kashmir.

Unless India and the world community work to end the killing, Kashmiris will continue to believe, as one prominent newspaper editor told us, that "no one takes any notice of what happens here."

Mr. Davidson is a filmmaker. Mr. Brown is a lawyer for Freedom House, a human rights organization. They contributed this comment to The New York Times.

A Humbling Experience That Japanese Will Certainly Learn From

By Roger Buckley

TOKYO — A chastened Japan is painfully digging itself out from under the rubble of the disastrous Kobe earthquake. Confidence in the performance of the state and its superior technological standards has been severely dented. The bumbings and errors have been a revelation to domestic and overseas audiences alike.

The image of a smooth, cooperative bureaucracy calmly working for the good of the nation has been tested, and found wanting.

The earthquake has thrown up major problems that must be confronted and solved. It is a challenge unlike any the Japanese have faced since it was pulverized into surrender at the end of the Pacific War in August 1945.

The long list must begin with reconsideration of how best to tackle a future disaster. The possibility of a severe earthquake in the Tokyo region on the scale of the 1923 devastation that cost

140,000 lives is no longer something to joke about or shrug off fatalistically.

Now citizens are taking precautions. Housewives stock up on emergency food and buns for battery-operated portable radios — items that were essential in the postwar struggle to survive but have long since been dismissed to attics as museum pieces.

Suddenly, school children are receiving instruction on where the nearest disaster assembly station is located, and motorists raise questions about escape procedures from multilevel expressways.

New coordination plans between traditionally jealous government ministries are being considered, after the shambles that left Kobe's intra-city, regional and central links in confusion.

There has been widespread anger at the slowness in calling

in troops for rescue, relief and rehabilitation work. As a result, the highly sensitive issue of civil-military cooperation in a nation whose prime minister, Tomiichi Murayama, heads the strongly pacifist socialist party is being intensely debated.

Aside from concerns over how other cities might cope in a future quake, there is national anxiety over Japan's transportation and construction standards. Photographs shown of the collapsed sections of the main highway and the damaged bullet train system in Kobe, shown by news media around the world, give the lie to authoritative assertions that even a severe earthquake could be withstood by Japan's superior engineering skills. Analysis of what went wrong and consideration of how housing might be strengthened are urgently awaited.

The suspicion that engineering standards may have been interpreted rather flexibly is a further cause for concern. Evidence that wood was found in collapsed concrete support structures in Kobe and that irregular building methods were used have been widely publicized in a nation that routinely regards its technology as better than the West's.

The Kobe earthquake has jolted the self-confidence of Japan. Its leaders' initial response was unimpressive. Failure to appreciate the dimensions of the disaster and to respond immediately in an effective way will not be quickly forgotten or easily forgiven.

Mr. Murayama may have temporarily avoided a split within his party and been fortunate in the media's reluctance to point the finger too directly at the cabinet while relief and reconstruction efforts continue. However, the coalition's day of reckoning will

surely come. Criticism may have been temporarily muted, but the government's opponents have not been permanently silenced by the call for national unity.

While political leaders and the bureaucracy performed poorly, it has been left to industry and the people of Kobe to restore the tarnished image of Japan. Displaying the stoicism, courage and determination that helped the nation rebound rapidly from the humiliations of unconditional surrender and allied occupation at the end of World War II, the entire Kansai region of western Japan is eager to rebuild the port city of Kobe.

It has been a humbling experience, but a new phoenix will certainly emerge from the ashes.

The writer, a professor of history at the International Christian University in Tokyo, contributed this comment to the Herald Tribune.

To Be Good Neighbors, Israelis and Palestinians Need Strong Fences

By Thomas L. Friedman

DAVOS, Switzerland — The latest suicide bombings have left Israel in emotional gridlock. Israelis know that halting the peace process will only make things worse, but continuing it shows no sign of making things better. Every Israeli faction has seen its prescription for peace shattered. It's time for some new thinking, but first a word on how we got here.

The first Israelis to have their illusions exploded were the nationalist ideologues of the Greater Israel movement, who believed that Israel should annex the West Bank and Gaza. That illusion was shattered by the Palestinian uprising in the late 1980s, which made clear to the Israeli silent majority that this Greater Israel vision came at a cost it did not want to pay.

The second faction to go up in flames was the Israeli peace camp. The doves believed that Yasser Arafat & Co. had undergone therapy and were now men ready to live with the Jews. What has shattered the Israeli doves is not so much the suicide bombings but the interviews afterward in which families of the bombers glorify their deeds, or, as the brother of the latest kamikaze told The New York Times: "When I saw the flesh and blood of the Jews I was happy."

The Israeli doves are realizing that maybe these Palestinians don't just have a problem with the "occupation." Maybe their problem is with the Jews in Israel.

This leaves the approach preferred by the Israeli silent majority, an approach that the Israeli historian Meron Benvenisti has labeled "the dream of separation."

That dream was born in the early 1990s, when individual Palestinians started coming up to Israelis and stabbing them at bus stops, in factories and on sidewalks. The Israeli government responded by repeatedly sealing off Israel from the West Bank and Gaza. And what was the reaction of the Israeli public? A sigh of relief.

What that sigh said was that Israelis felt more secure when disconnected from the West Bank and Gaza than when connected. It was the Israeli silent majority's dream of separating from the Palestinians, not living with them, that empowered Yitzhak Rabin to cut his deal with the PLO. But Mr. Rabin and Mr. Arafat did not want to go for real separation at the start, largely because Mr. Rabin did not want to

move Jewish settlers and Mr. Arafat did not want to cede any of the West Bank. They opted instead for a vague five-year transition phase during which the two sides were supposed to build mutual confidence for the big decision.

This transition has only destroyed confidence, because the extremists have used the time to wreak havoc more efficiently than the leaders have used it to bring benefits. The two communities are still intertwined, grinding against each other, with Israelis blaming Mr. Arafat for not giving them security, and Mr. Arafat blaming Israel for not giving him prosperity and authority.

Sooner or later Israel will have to recognize that there is no "peace" to be had with the Palestinians. You can never have a finite peace between two communities which share the same land and will compete forever for the same earth and water. Between such communities, all you can hope to do is lower the level of violence and create an uneasy coexistence.

The best way to provide that uneasy coexistence is with real separation into two separate states. Forget this phony transition period when Israelis try to get Palestinians to prove that they like the Jews.

The Palestinians don't like the Jews. But I am not interested in their intentions. I know what their intentions are. I am only interested in how best to control their capabilities and make them neighbors with whom Israel can reasonably coexist.

I believe that tall fences and deep trenches are what make good neighbors. Coexistence begins with barbed wire, not block parties. Israel and Syria coexist not because Syria respects Israel's right to exist but because Israel can threaten Syria's existence. So it must be with Israelis and Palestinians.

Only when there is separation into two states with some measure of equality, with each enjoying its own space and with each having something to lose from abusing it, will Israelis and Palestinians begin a real transition toward coexistence. The tragedy is that the leaders on both sides, who really want separation and know that their silent majorities want it as well, now appear too wounded to make this heroic leap to the bottom line. But something in me says that Yitzhak Rabin may have one more heroic decision in him, and this is it.

The New York Times.

Sprawling, Metastasizing, Undisciplined, Approaching Self-Parody

By George F. Will

WASHINGTON — President Bill Clinton's turbid State of the Union address was a metaphor for modern government — sprawling, metastasizing, undisciplined, approaching self-parody. It underscored the fact that his administration now is politically almost harmless, but is aesthetically excruciating.

The address was heavily larded — exactly the right word, that — with semi-conservative words about cutting taxes, spending and regulations. However, regarding two matters that Mr. Clinton considers crucial, the AmeriCorps "national service" program and the minimum wage, the address was half-baked and halfhearted liberalism.

AmeriCorps, says Mr. Clinton, will revive American volunteerism. The approximately 80 million Americans who volunteer their time to religious and civic organizations may wonder who needs reviving, and how much it matters whether AmeriCorps eventually produces 100,000 more volunteers. Today, 2.9 million of America's 80 million volunteers are aged 18 to 25, the ages of AmeriCorps "volunteers."

To Americans who use the English language to communicate thoughts rather than to parody them, the use of the word "volunteer" in connection with AmeriCorps recruits must seem like the latest redundant evidence that Washington is stark raving mad. To plain-speaking Americans, a volunteer is someone who contributes his or her unpaid labor. Mr. Clinton's "volunteers" will be paid a \$7,400 annual stipend, plus \$9,450 worth of college expenses over two years.

And this is not all that Mr. Clinton's little puddle of government-manufactured "volunteers"

— little relative to the 80 million true volunteers who need neither financial incentives from nor organization by government — will cost taxpayers.

In addition to the health- and child-care entitlements for AmeriCorps members, and AmeriCorps' Washington bureaucracy, money is spent to locate "volunteers" to take AmeriCorps money. The Omaha World-Herald says that AmeriCorps gave Nebraska's state government a \$457,622 grant to

recruit 23 AmeriCorps members. That \$19,896.60 per recruit calls into question the effectiveness of the \$1.7 million that AmeriCorps paid a Washington public relations firm for national advertising.

According to the New Citizenship Project, a conservative advocacy group, of AmeriCorps' first 20,000 "volunteers," 1,200 are working for agencies of the federal government. The New Citizenship Project warns that AmeriCorps is ripe for politicization, citing a Washington Monthly report that a 1993 pilot project became an exercise in identity politics and political correctness, developing ethnic and homosexual caucuses. And the Los Angeles Times reported that a 1994 pilot project in San Francisco used its "volunteers" to protest against "three strikes

and you're out" crime legislation.

Mr. Clinton calls AmeriCorps the achievement "I would say I was most proud of." No minimum wage increase will be rival for that title.

In 1992, candidate Clinton endorsed increasing the minimum wage. During 1993 and 1994, when he had a congressional majority that would have done it, he did not ask for it, primarily because some sensible Democrats told him it was a dumb idea. Al From, head of the centrist Democratic Leadership Council, which once advertised Mr. Clinton as a New Democrat, says of the minimum wage proposal: "It's anachronistic, it's a loser, it's got no bite with the middle class. And it screams Old Democrat."

Now that there is a Congress that Mr. Clinton knows will not enact an increase, he calls it urgent. However, during Tuesday night's oration, when he was pitifully detailed about almost everything, he remained reticent about how much the minimum wage should be increased.

Leaving aside the unwisdom of government telling employers what to pay employees, it is generally true that when you increase the cost of something, people buy less of it. There is evidence that this is true of labor at the low end of the wage scale.

The first federal minimum wage (25 cents an hour) was enacted in 1938. Since then, the longest time between increases was from 1981 to 1990. During that span, teenage unemployment (teenagers are a third of all minimum wage earners) fell from 23.2 to 15.5 percent, and black teenage unemployment fell from 48 to 31 percent. Then the forces of com-

passion struck, raising the minimum wage twice, in 1990 and 1991. In 1992, teenage unemployment was up to 20 percent.

Now, it is problematic establishing causation for any phenomenon as complex and varied as joblessness. And some studies, including one by associates of the current secretary of labor, purport to show that the minimum wage can be increased somewhat without increasing unemployment. However, the question is academic because a former academic — Representative Dick Armey, the ex-professor of economics who now is majority leader — says he will oppose an increase "with every fiber of my being."

and he will have much company. But this is of more than academic interest: The minimum wage is now \$4.25 an hour. Mr. Clinton is said to be thinking about seeking \$5 an hour. The New Citizenship Project calculates that AmeriCorps "volunteers" earn more than \$7 an hour.

Washington Post Writers Group.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Cadets in Revolt

NEW YORK — The Herald's Special Correspondent at Rio de Janeiro telegraphs to-day [Jan. 29] as follows: Troops are camped in the public squares and patrol the chief streets of the city, especially the rua do Ouvidor, to protect the newspaper offices. The cadets of the military school are in open revolt. A regiment of the line and one of cavalry prevent the exit of the cadets.

1920: Bred for Money

PARIS — The raising of guinea-pigs and of white mice in France has recently reached proportions heretofore unknown. The breeding of these Lilliputian animals has been taken up by women of the aristocracy and is said in some instances to be more profitable than sheep or cattle raising. Such high prices have not been quoted

since the siege of Paris. The Pasteur Institute, which is one of the largest buyers of these little animals for experiments, is commencing a campaign against this unique class of profaneering.

1945: Leaving Norway

LONDON — Adolf Hitler has probably told Premier Quisling of Norway that Germany must abandon Norway and withdraw most of its crack garrisons there to help save the Fatherland. It is learned from authoritative London sources. There is also little doubt that Quisling had expected bad news, and had hoped only to retain enough German troops to prevent a spontaneous uprising, or one incited by pro-Allied Norwegian paratroopers, in which his own life would certainly be forfeited. Signs of a German withdrawal from Norway have been evident for some time.

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Hanoi Suppressed POW Data, Book Alleges

By Barbara Crossette
New York Times Service

NEW YORK — A new book based on Vietnamese military archives asserts that Hanoi withheld considerable information on U.S. prisoners of war for decades, and began releasing it only after the Cold War, when Soviet-bloc support evaporated and Vietnam urgently sought to end an American-led economic embargo.

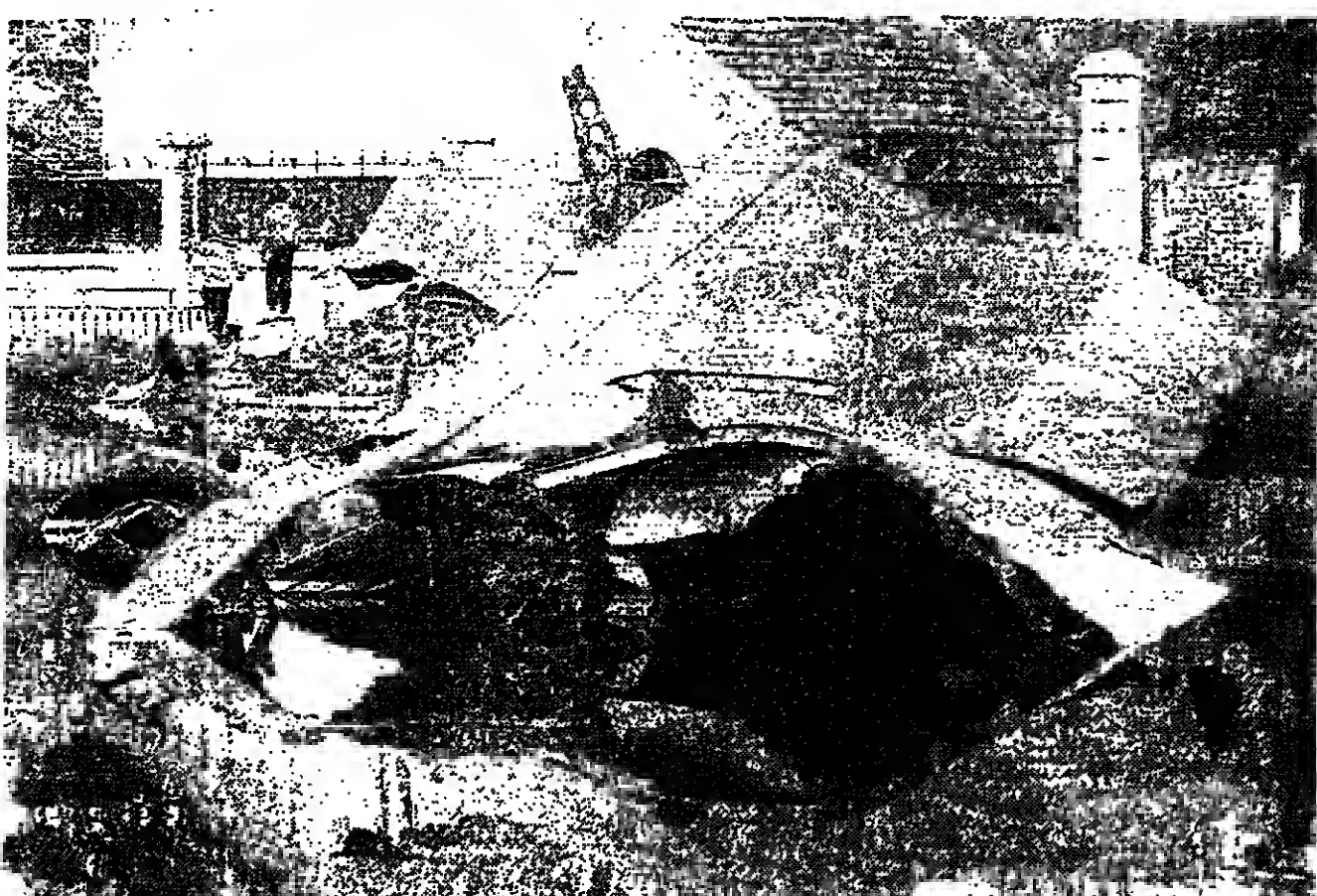
Perhaps hundreds of Americans who survived crashes and ambushes were killed by their captors, Vietnamese officers are quoted as saying in the book, "Inside Hanoi's Secret Archives: Solving the MIA Mystery."

The book was written by Malcolm McConnell of Reader's Digest, a former Foreign Service officer, using material from an American researcher, Theodore Schweitzer 3d.

It is a summary of the pieces of information that have been put together so far about those missing at the end of the Vietnam War, and suggests that the number of Americans killed in captivity was higher than previously believed.

Mr. Schweitzer, who has often been in the public eye, but rarely speaks to the press, describes himself as a former librarian. He was a field officer in Thailand for the UN High Commissioner for Refugees. After the war he was involved in private relief efforts to aid the Vietnamese.

Colleagues from his UN days remember him as an adventurer, and he was known around Southeast Asia for his tales of derring-do. He told the Vietnamese that he was an independent author, although when most of his archival work was



Hanoi children playing at Ngoc Ha lake, near the wreckage of a U.S. B-52 bomber, shot down during the Vietnam War.

done he was a covert agent of American defense intelligence. Mr. Schweitzer did the bulk of his research in Hanoi in 1992, armed with a scanner provided by American agents and a good supply of dollars to reward the Vietnamese army archivists assigned to help him.

Soon after his project became public, the U.S. military was able to set up its own research teams in Vietnam, where work continues.

The author and researcher believe that the Vietnamese understood and accepted the ruse because Hanoi wanted to use an indirect conduit to Washington to test American reaction to material it had previously withheld.

Some officials who have been close to the issue say that the fact that the Vietnamese withheld information in cases where there were serious questions helped to fuel a militant POW-

MIA movement in the United States.

"We know the Vietnamese had a lot of information they had not given us," Roger Shields, a former Pentagon official who was in charge of the prisoner release when the United States withdrew its troops from Indochina in 1973, said in an interview. "We were not sure. We absolutely knew, and they knew we knew."

The book, published on Jan. 25 by Simon and Schuster, quotes a Vietnamese officer identified as Lieutenant Colonel Nguyen Van Thi as saying: "Our government does not want America to know that our darkest secret is that we killed many American prisoners in cold blood."

Officials in Hanoi say this is fiction. Former Pentagon officials say that they have always known of some cases of murder or death by torture, some of them incidents disclosed by Vietnam during the war and others described by American prisoners released in 1973.

At the time, however, President Richard Nixon, beginning to come under pressure from

the Watergate scandal, overrode Defense Department apprehensions and declared on March 27, 1973, that "all of our American POWs are on the way home."

On Saturday, Hanoi and Washington signed an agreement to exchange diplomats for the first time in two decades. The action came just a few weeks before Defense Secretary William J. Perry is to give Congress the latest information on Americans missing in Indochina.

Officials said that the United States was holding out full diplomatic relations as an incentive for cooperation from Vietnam.

Hanoi, eager to see the embargo lifted before President George Bush left office, quickly complied with the request to permit the research. It was another two years before the Clinton administration lifted trade barriers, and since then dozens of cases of missing Americans were solved.

The book appears to corroborate the belief that Hanoi did not make a full accounting of missing Americans, despite its insistence to the contrary.

AMERICAN TOPICS

Shame on You: What Makes for Remorse

Most Americans say people would feel ashamed if others knew that they had hit a child in anger, drove while drunk or had an extramarital affair, according to an opinion poll just published in Newsweek magazine.

Poll-takers asked 753 adults if they thought most people would feel shame if it were known that they had done certain things. Seventy-three percent of respondents said they thought people would feel shame if others knew they had struck a child in anger. The percentage that felt that way about drunk drivers was 69 percent, and about adulterers, 62 percent.

Forty-six percent said people would be ashamed of being caught cheating friends at cards or other games, while 41 percent thought that about tax fraud.

A little more than half of those questioned thought people would feel shame if they discriminated against others because of race, sex or religion (53 percent); if they cheated their employers (53) or if they failed to pay child support (51).

Only 16 percent thought divorce was a reason for shame, and 27 percent felt that about having a child out of wedlock.

Of Teeth and Peace: Fluoride's Record

In January 1945, Grand Rapids, Michigan, became the first American city to add fluoride to its drinking water. And for 50 years, fluoride has been blamed for everything from a Communist plot to cancer.

But fluoridation hasn't caused anything but a decline in tooth decay, public health experts have long agreed. People who drink fluoridated water when they are young have 20 percent to 40 percent fewer cavities.

Today, 56 percent of the U.S. population receives fluoridated water, according to

the American Dental Association.

Critics have had many theories about fluoride since 1945, said Tom Reeves, a fluoridation engineer at the Centers for Disease Control and Prevention in Atlanta. In the 1950s, he said, "the charge was that it would make people placid so there would be no rebellion when the Soviet Union took over."

Since then, it has been blamed for cancer. Sudden Infant Death Syndrome and even AIDS.

"You basically name the issue that became hot at the time, and that's what fluoride was accused of causing," Mr. Reeves added. But no legitimate, time-tested study has ever shown any ill effects, he said.

Short Take

Black women are up to three times more likely than white women to give birth to premature or low-birth-weight infants. This is true even for black women who are economically secure and have equal access to prenatal care. The difference appears to be the amount of time mothers give themselves between pregnancies. A study of 2,000 births at a U.S. Army hospital in Tacoma, Washington, where both races have equal access to medical care, found that the odds of delivering a preterm or low-birth-weight baby jumped fourfold for black women if they did not wait nine months between pregnancies. For white women, waiting only three months reduced the odds to normal. The reason for the difference is unclear.

About People

How does former President Jimmy Carter really feel about his lack of a Nobel Peace Prize for his peace-making efforts in North Korea, Haiti and Bosnia? He told *The New York Times*: "There are so many hundreds and hundreds of people working for the same things that I am, just as hard as I am and some of them probably much harder. But, what if that's what really mattered most and it never came about? Well, what sort of dried-up, shriveled-up disappointed frustrated old prune of a man would I be then? Poor of Jimmy Carter. He never got his prize." *International Herald Tribune*

China Cites Reduction In Political Prisoners

Los Angeles Times Service

BEIJING — A senior prison official said that the number of political prisoners in China has been reduced by nearly half since 1989, when hundreds of people were rounded up and jailed as "counterrevolutionaries" after the bloody army crackdown on pro-democracy demonstrators around Tiananmen Square.

In an unusual meeting with Western reporters, he said Chinese prisons now held 2,769 inmates charged with political crimes, down from more than 5,000 at the end of 1989. The meeting with journalists came just before the release of a U.S. report that is expected to be highly critical of Chinese human rights practices.

The official said that a prominent political prisoner, Liu Gang, a former physics student active in the 1989 demonstrations, would be released as scheduled in June after completing a six-year sentence for "conspiracy to subvert the government."

Regarding Wei Jingsheng, a dissident who dropped out of sight last spring after being detained by Beijing Public Security Bureau agents, the official said, "I can only tell you he is not in prison."

International rights organizations dispute the claim that China is holding fewer political prisoners. They say Beijing has simply reclassified many political prisoners as common criminals or sentenced them, without trial, to "re-education through labor" camps.

French Jewish Group Elects Centrist Leader

PARIS — Jean Kahn, head of the European Jewish Congress, was elected president of the Central Israeli Consistory of France on Sunday, in what was seen as a defeat for Orthodox clergy.

Mr. Kahn, 65, a centrist, received 109 votes to 41 for Jacob Naouri and 22 for Armand Am-sallem, who were backed by Orthodox rabbis.

Vietnamese-Americans Flocking Back for Tet

The Associated Press

HO CHI MINH CITY — Tan Son Nhut International Airport in Ho Chi Minh City, the former Saigon, has been jammed for days with tens of thousands of Vietnamese-Americans returning to celebrate Tet, the Lunar New Year, on Tuesday.

The authorities predict that Tet visitors this year will hit around 40,000, up about 30 percent from last year.

An estimated 2 million Vietnamese live abroad, more than half in the United States. In recent years, as the Vietnamese government relaxed its repression of people associated with the South, growing numbers have come.

It was easy to pick out Americans in the nonstop reunions. Those who stayed in Vietnam came to the airport in sandals and silk pajamas or elegant *ao dais*, pants worn under a long tunic.

The incoming Americans sported chinos, jeans or shorts, polo shirts and athletic shoes. Their children were larger than their stay-at-home cousins.

The visits reflect a warming of relations between the United States and Vietnam, 20 years after North Vietnam toppled the U.S.-backed South Vietnamese government and won the war.

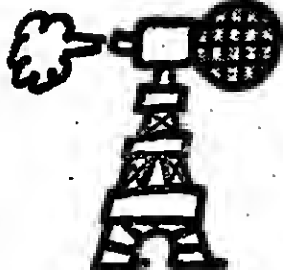
On Saturday, the United States and Vietnam opened liaison offices in each other's capitals, a major step toward full diplomatic relations.

BOOKS

WHAT THEY'RE READING

• **Alphonse Mellot**, producer of *Sancerre* who comes from a family of winegrowers that dates from 1513, is reading "Saint Don Juan" by Joseph Delteil.

"It's full of eroticism, sensuality and the perfumes of the south of France. I must admit that I read Tintin all the time too!" (John Brunton, *IHT*)



Europe, the American GI fought exceedingly well in spite of facing numerous difficult tasks.

The author's emphasis is not on D-Day but on the period after the invasion, and he gives a number of examples — from overcoming strong resistance in the Normandy hedgerows to America's defensive effort in the Battle of the Bulge — to show that U.S. forces adapted to a variety of conditions to defeat a resourceful enemy.

With a judicious use of official histories, after-action reports and postwar analyses, Doubler demonstrates that the key to U.S. success was the flexibility and ingenuity of its soldiers.

The generals helped, for they realized that their armies had to learn from earlier mistakes, as

in North Africa and Italy. And they further understood that although U.S. military doctrine was generally sound, it had to take into account a number of situations, such as dashing across France and capturing fortified cities and towns, for which the army was inadequately prepared.

Yet in Doubler's view, the crucial element in overcoming the German opponent was the intelligence of America's frontline officers and troops and their ability to make sound decisions on the spot.

Doubler further points to another element to explain American success: By 1944-45, its forces had learned to use effectively what the army calls combined arms. What this meant was that U.S. forces were able to coordinate a mix of infantry, armor and artillery firepower, often assisted by air, engineering and tank destroyer formations, to such an extent that the enemy was dealt a series of devastating defeats.

As is the case with much good military history today.

Doubler's account is not limited to operations and tactics.

Particularly impressive is his chapter on "The American Soldier." In it, he gives a sound appreciation of the army's difficulties in getting replacements to the front in a timely manner and of troop training and combat experiences, including the often misunderstood "combat exhaustion."

Though admirable, Doubler's work is still subject to several criticisms. For one thing, even though he substantiates well his assertion that the U.S. manpower advantage was not that great, his argument that its material advantages were also less than overwhelming is not as convincing.

While Doubler cites instances of ammunition rationing and shortages in gasoline, as well as a logistics crisis in October 1944 — brought on when the 1st and 3d armies outran their access to supplies — he seems to say that most of the time U.S. troops had sufficient resources to get the job done.

A second criticism is that Doubler could have discussed more thoroughly the relationship between U.S. operations and doctrine in the spring of 1945.

Doubler has made a valuable contribution to our understanding of World War II and warfare in general. "Closing With the Enemy" will, no doubt, become required reading among U.S. Army professionals and will provide military historians with new avenues for research.

Alan Wilt, professor of history at Iowa State University, wrote this for *The Washington Post*.

CLOSING WITH THE ENEMY

By Michael D. Doubler, 354 pages, \$40. University Press of Kansas.

Reviewed by Alan Wilt

OVER the years, two opposite views of the American soldier during the latter stages of World War II have emerged. One is the popular image, made famous in numerous Hollywood movies, of heroic officers and swashbuckling men fighting their way across Western Europe against a sometimes formidable but still inadequate foe.

The other version, set forth by the noted military writer S. L. A. Marshall, is that U.S. troops were timid in combat and often reluctant even to fire their weapons. And according to historians Martin van Creveld and Russell Weigley, among others, the Americans won resounding victories mainly because of their overwhelming manpower and material, not because of superiority on the battlefield.

Now, as an antidote to the more negative appraisals, appears Lieutenant Colonel Michael Doubler's book. Doubler's well-supported contention is that during the last 11 months of the war in

BRIDGE

By Alan Truscott
PLAYING a hand well normally generates some profit, in terms of money, master points, prestige or at worst, a pat on the back from partner. But there are exceptions. The diagramed deal was played in a class, with an expert in the South position and three students in the other seats.

South charged into four spades, after West had opened one no-trump and North had overcalled in diamonds, knowing that East held a virtual yarrowhough. The heart king was led and allowed to win. Shifting to a trump would not have helped, for South would have cleared all the trumps and eventually run diamond tricks. So West continued with a low heart, encouraged by East's play of the jack on the first trick.

South now took the heart ace, finessed the diamond queen with confidence, and cashed the ace. This removed the king, and the club ten was discarded. Next came the critical play: A

diamond was ruffed with the spade ace. This prevented West from overruffing and returning a trump, and the remaining heart in the closed hand was ruffed.

The only tricks for the defense were a heart, a club and a trump, so South was pleased. But virtue had to be its own reward.

Neither side was vulnerable. The bidding: West North East South 1.N.T. 2.C Pass 4.C Pass Pass Pass

West led the heart king.

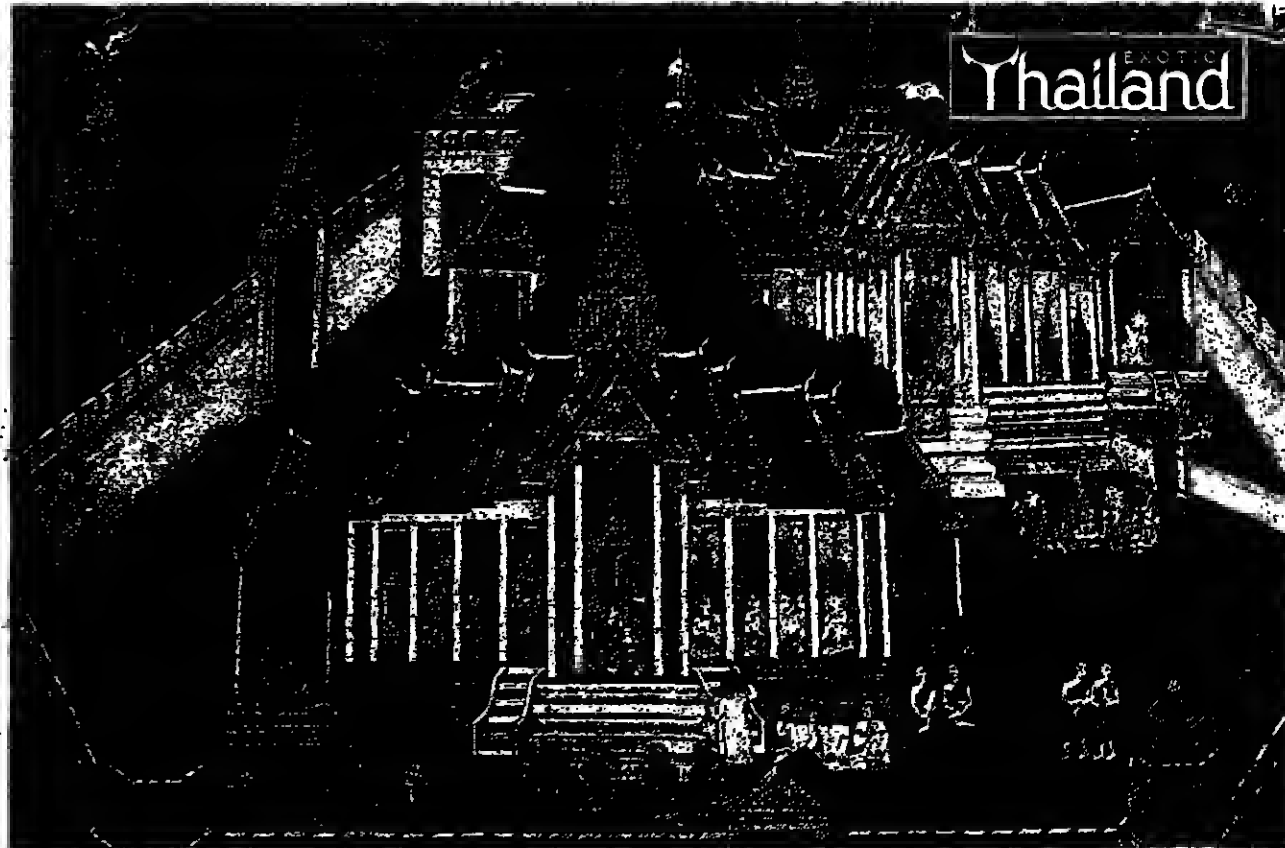
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Inside Thailand...



Mural Painting, Wat Suwanaram, Bangkok

Like the mural painting, Thailand is a kingdom of timeless art and culture. Dazzling temples. Breathtaking ruins. Graceful classical dances and melodies. Exquisite traditional handicrafts and artistry. Legendary accommodations, cuisine and hospitality. The most colorful and captivating masterpiece which must be experienced.

And as you explore Thailand's colorful traditions, you will also discover spectacular natural splendors as well as fun-filled and exciting experiences.

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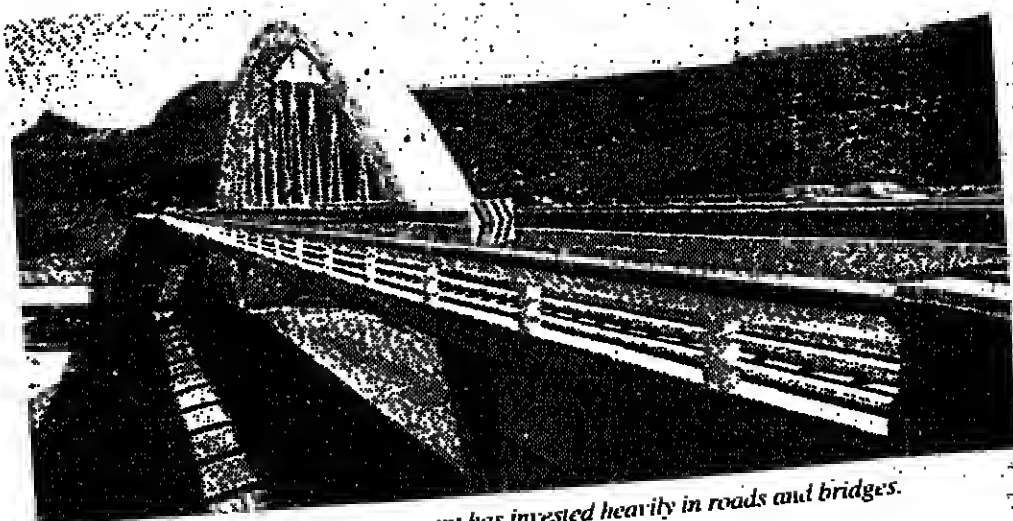
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Name: _____ Address: _____

CANARY

INVESTING IN EUROPE'S REGIONS



On the way to the future: The government has invested heavily in roads and bridges.

THE FORTUNATE ISLES LIVE UP TO THEIR NAME

Advanced scientific installations and two universities offer opportunities for research and technological investment.

Lapped by seas whose temperature never drops below 20 degrees centigrade (68 Fahrenheit), blessed with temperate winds and a mean air temperature of 23 degrees centigrade (73.4 Fahrenheit), and soaked in an average of eight hours of daily sunshine, the Canary Islands well live up to the name given them by ancient mariners — the Fortunate Isles.

They were a last port of call for Christopher Columbus before he began his crossing of the Atlantic in 1492 and served as the base for Spaniards in the colonization of America. The archipelago has been under the sovereignty of Spain for over 500 years and is made up of seven islands — Gran Canaria, Tenerife, Lanzarote, Fuerteventura, Gomera, La Palma and Hierro. Eighty percent of the 1.5 million inhabitants

live on the two main islands of Gran Canaria and Tenerife. The Canary Islands are 1,000 kilometers from mainland Europe and at the crossroads of trading routes between Central and South America, the west coast of Africa and Europe. They form the southernmost border of the European Union. They are one of 17 Spanish autonomous communities and as such have large and exclusive responsibilities, with an autonomous government and parliament.

Winter paradise
The unequalled climatic conditions give the islands a 12-month tourist season, and their popularity goes from strength to strength, especially in the winter months. Last year, they attracted 8.5 million visitors.

Water, an ever-present concern for islanders throughout the world, is partly supplied by hydraulic exploitation of underground springs and partly by the desalination of sea water. The Canary Islands have over 50 desalination plants that process 120,000 cubic meters of water a day, more than enough to cope with industrial requirements. This water surplus means less exploitation of underground water, ensuring its recuperation and availability. The government is dedicated to a policy that will ensure ever-increasing supplies that will always be ahead of urban, industrial and agricultural requirements.

The tourist trade has necessitated a strong infrastructure and excellent communi-

cations between the islands and the outside world. This is being improved continually and has helped the islanders considerably in their drive to attract industry and investment.

The aim is to enable the islanders to enjoy the same standards of living as the rest of the European Union, although if sunshine and natural beauty were taken into consideration, the imbalance would most probably be tipped in the islanders' favor. According to official estimates, the relative development of the Canaries places them on an inferior level to that of the European Union (73.23 percent), but the convergence rate of the islands with the European GDP per capita was the best in Spain during

the period 1985-1992. This enabled the Canary Islands to reduce by 7.5 points its developmental differences in respect to Europe. This trend should continue during the next century.

Scientific research
The economy of the Canary Islands relies mainly on the services sector, which represents 76 percent of the regional GDP, most of it related to tourism.

The Canaries are equipped with advanced telecommunication services, excellent residential and recreational zones, and first-class hotels. The islands also have advanced scientific installations, two universities with important technological potential and diverse facilities that offer theatrical, cultural and musical activities. Good medical care and a modern network of commercial services add to the islanders' standard of living.

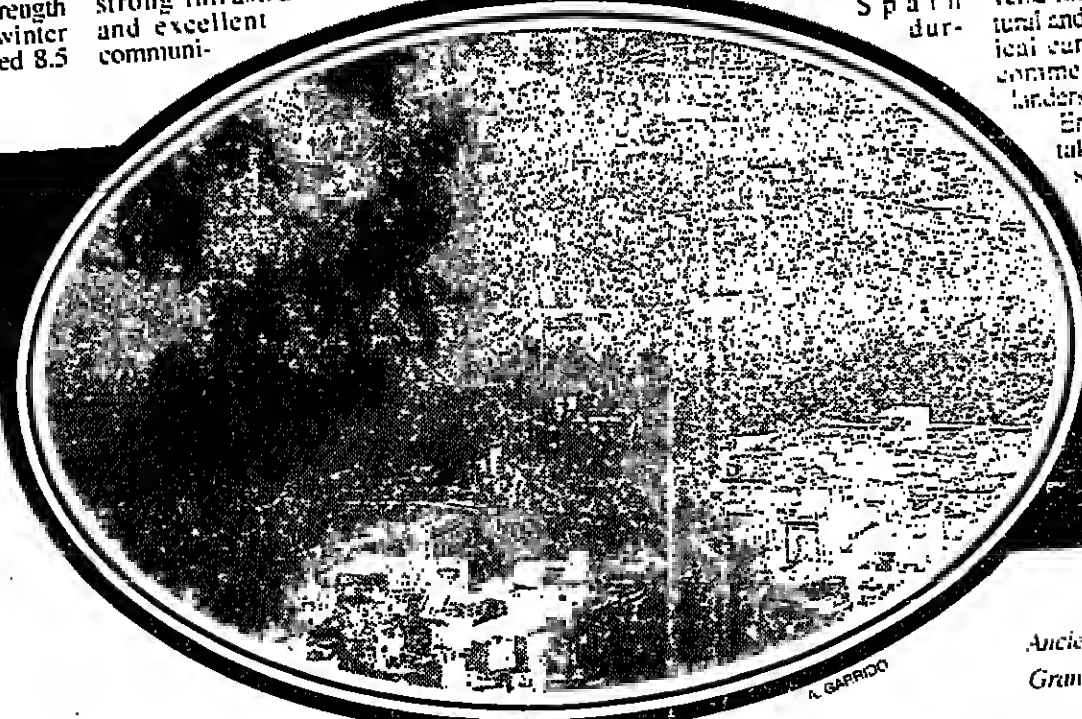
Energy source investigation has taken considerable strides, with solar energy heading the list. There are now two solar collectors on the islands. By the beginning of 1994,

15.7 percent of the national electricity was supplied by the sun. Considerable progress has also been made with wind energy, which can supply 14,320 kilowatts.

Other scientific work in progress on the islands includes pharmaceutical research on flora for medical purposes, space projects at the Canarian Astrophysics Institute and the Maspalomas space station on Gran Canaria Island, fishing and marine culture at the Canarian Oceanographic Center and agricultural technology and research at the Canarian Geophysics Center. This activity makes the islands an ideal base for companies to set up their own research and development centers.

Staff recruitment does not present a problem. The Canarian work force is young and well-educated, and represents the islands have a 24 percent employment rate. Training in many fields is available.

To give a further impetus to the islands' economic growth rate, there are now unparalleled concessions from the EU, the central government in Madrid, and the islands' autonomous parliament.



Ancient and modern: Cathedral spires dominate the outskirts of Las Palmas in the Gran Canaria.

FREE TRADE ZONE OFFERS OPPORTUNITIES TO INVESTORS

Tax concessions are added to free movement of capital and dividends.

The heat is on in the Canary Islands. The government of this autonomous region within Spain is gearing up for economic growth that will outstrip its already impressive record.

On July 7, 1994, a free-trade-zone system was

side the tax system, without import duties and with only a 1 percent symbolic corporation tax. There are no restrictions on movement of capital or retention of dividends by nonresident shareholders, and there are no exchange controls.

that all output can be legally classified as EU products.

Route into Europe
Various other options depend on careful planning. A ZEC company cannot trade within the Canary Islands or on the Spanish mainland.

cessions are available to both new and established businesses. These include a reduction in customs duty to as low as 70 percent, with increases on a sliding scale to full duty payment after the year 2000. There is also total fiscal tax exemption for companies employing less than 25 personnel, which also applies until the year 2000.

More savings are laid out in the Canarian Financial and Tax Systems Financial Base Law. Companies can be granted up to 90 percent tax relief for undistributed profits invested within three years in fixed assets. Canarian Government Bonds, Spanish Treasury Bills or shares in the capital of companies domiciled and with their activity in the Canaries. A rebate of 50 percent of corporation tax is possible for export companies.

Companies can also take advantage of regional incentives and autonomous community subsidies and be exempt from capital transfer tax and tax on the purchase of goods for expansion, modernization or transfer of installations.

A line of mediation credit with prime rate interest to finance investment in fixed assets will be handled by the Official Credit Institute.

International advice
To assist with the presentation to industry of the programs of ZEC and the Com-

mon Zone, the Canarian government engaged the international financial services of Ernst and Young, whose report provides the backbone of the ZEC scheme and lays out its terms and conditions.

Juan Arenceibia, a spokesman for the company, says: "The concessions made by the EU, Madrid and the local government represent a number of complicated and possibly confusing alternatives. This we have presented in a simple and systematic way as they applied to individual company requirements. The main meal of the offer is an ongoing low taxation system that is not equaled anywhere in the EU. Even more important, the ZEC scheme provides a low-cost and therefore competitive entry into the European market for non-European companies and conglomerates, wherever they come from."

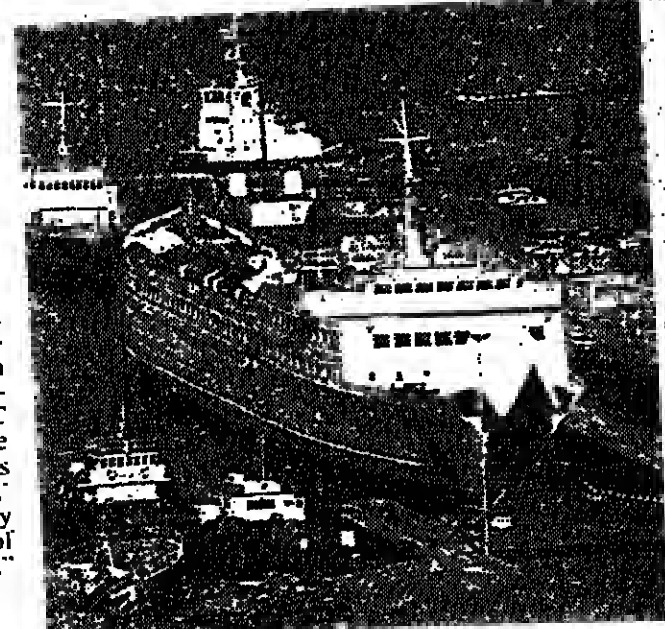
He adds: "Both individuals and corporate bodies can take advantage of the ZEC package. A one-person company or a large multinational can enter the European market through ZEC, the only capital requirement being one million pesetas deposited and at least one administrator resident in the Canary Islands. ZEC terms can also apply to a wide range of company activities, from tangible products to financial services."

The range of activities of

companies applying for these concessions would normally need the attention of a number of Canarian departments, but the system is being simplified. Jose Sanchez Ruano, manager of Sofesa, a public company set up to answer problems and smooth entry procedures, says: "We have formed just one department within the islands' administration to deal solely with companies interested in taking advantage of the ZEC and Common Zone schemes. This we refer to as 'the one-window ministry,' and it will handle all entry procedures, irrespective of the company's activities."

Choice of firms
Attracting the right companies required considerable research. The Canarian government contacted Andersen Consulting to study the concessions that they were offering and at the same time classify the Canarian community in terms of climate, quality of life, social attitude toward foreign investors, stable legal and political situation, and cultural and leisure facilities. The firm then drew conclusions about the type of businesses that might invest in the Canary Islands.

The answers were not startling. The sophistication of the major industry, tourism, restricts heavy industry in favor of light scientific commerce, including



For islands, efficient ports are important for both touring liners and incoming and outgoing cargo.

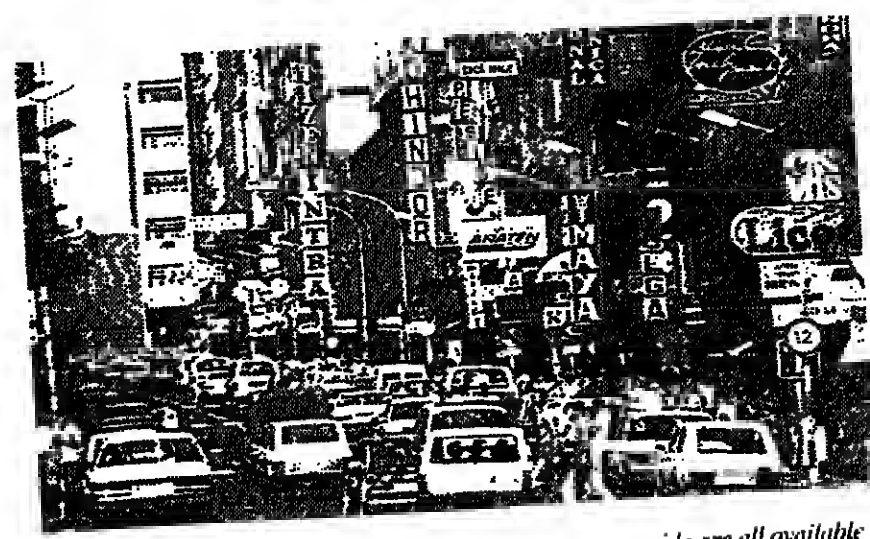
computer equipment, office machinery manufacture and telecommunications. This would slot in comfortably with the islands' research program and with operations already functioning in optics, health services and education.

Andersen's conclusions fit in well with the government's ideas and aims. The confirmation of existing policy reassured government planners that they were on the right path.

The options are many and complex. Each business will

have varying needs. Sofesa offers its services free of charge to any interested company; it can assess the company's requirements and produce a report showing the most advantageous options available.

"Such a report could include the availability of risk capital, land concessions and start-up procedure," says Mr. Sanchez. Summing up, he says: "I think we have something to interest most businesses, including year-round warm weather for their staff."



The excitement of city life, beaches and a peaceful countryside are all available in the Canary Islands.

granted to the islands. Called ZEC (Zona Especial Canaria), it offers concessions to investors and provides access to Europe for non-EU companies.

The ZEC zone in the Canaries could be looked upon as an independent territory within the islands where a company can function out-

Start-up expenses and expansion investment can be calculated at net cost because there is no direct or indirect taxation. Refining of raw materials and production can be carried out without fear of taxation. The offer puts the Canaries ahead of many other tax havens, with the added attraction

and its products are subject to the normal VAT and import duties on entering mainland Europe. But there is another possible route on leaving ZEC that will take the wise through what is known as the "Common Zone."

Here a company can trade within the islands and mainland Spain, and other con-

SPONSORED SECTION

SPONSORED SECTION

ISLAND AT THE CROSSROADS OF THREE WORLDS

ESSENTIAL LINKS WITH THE WORLD

Good communications by air, sea, road and satellite help the islands' development.

Communications are of vital importance to the Canary Islands. The islands are located at Europe's southernmost gateway on the main routes between Europe, Africa and Central and South America. They are integrated into the world's communication and information network by satellite and a modern telecommunication systems. All major European airlines have regular flights in the islands to support the tourist trade.

On the seven major islands are eight commercial ports, five of which are international: Santa Cruz de Tenerife and Las Palmas on Gran Canaria Island are the busiest. With over 3.25 million square meters of facilities and services, these ports also play a major role in inter-island traffic, with a constant flow of



Satellite communications are essential to the expanding business community of the Canary Islands.

ferries, hydrofoils and jetties. Fourteen fishing and industrial ports and 13

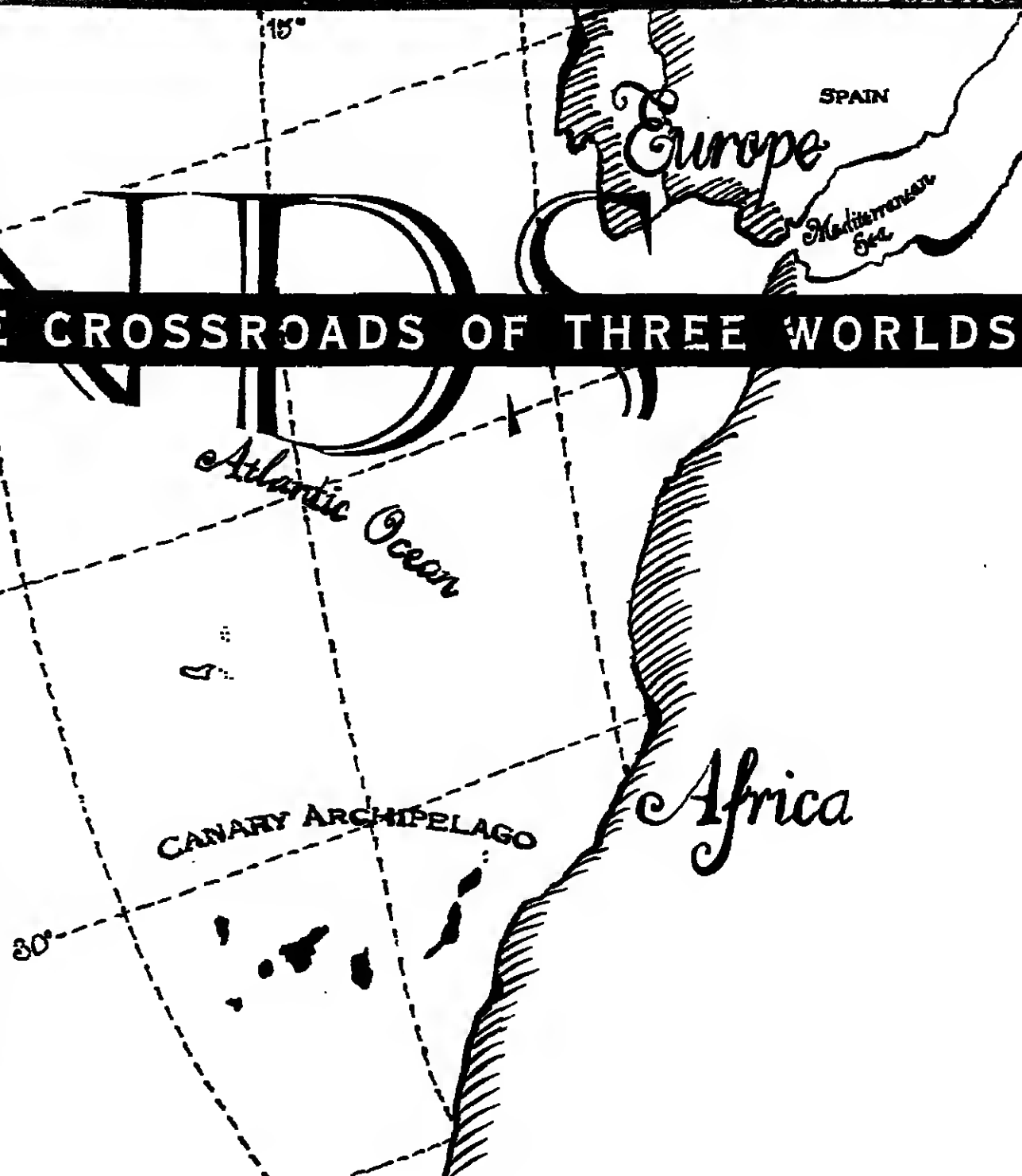
marinas complete the islands' harbor facilities.

Most tourists arrive by air, with Tenerife airports handling 8.34 million passengers last year, and Gran Canaria 6.76 million. In all, the islands have eight airports, two of which are on Tenerife.

To cope with such a high volume of visitors, a good network of roads is essential. The Canaries' density of 0.63 kilometers of road per square kilometer is double that of mainland Spain.

The smooth and efficient movement of goods and traffic is also important to the future of the islands.

The improvement of sea and air facilities and the extension of the road network are priority items on the government's agenda.



FORMULA ATTRACTS 8.5 MILLION TOURISTS

New golf courses are planned for the thousands of traveling golfers brought to the islands by the good weather.

Sunshine and sea breezes, beach weather all year that is not too hot - few areas of the world can offer climatic conditions that equal those of the Canary Islands. In addition, the authorities have worked hard to perfect an infrastructure that can handle the ever-increasing number of visitors.

Last year's total of 8.5 million visitors arrived mostly on flights from the European Continent, with a few from farther afield. The Canaries boast 400,000 accommodation units, 45 percent of which are on the two main islands.

To cope with this traffic, the Canary Islands have a computerized booking service that can provide availability information instantly. This simplifies the work of tour operators and agencies, eliminating the overbooking problem of many tourist areas. The Canarian Central Tourist Reservation Office is considered to be the most advanced of its kind in the world.

Maintaining professional standards comes high on the list of priorities for the people who supervise the tourist trade, helped by the hotel school Hotel-Escuela Santa Brígida on Gran Canaria and another shortly to open in Tenerife, along with an extensive network of restaurant schools.

Tourists can enjoy sun-drenched beaches, terrain that varies from lush flora to volcanic mountains, amusement parks, theme parks, exploratory submarine trips, water sports, tennis and golf.

Sporting choices

Throughout Europe, golf is enjoying increasing popularity (the number of registered European golfers increased by 16.48 percent between 1991 and 1993), and the Canaries provide for the many North European players whose clubs close during the winter months.

Four new courses are planned for Gran Canaria, and four others are in various stages of development in Tenerife. There are already six courses spread between Gran Canaria, Tenerife and Lanzarote, giving the traveling golfer a wide selection.

The first new course scheduled to open (in late 1996) is Golf Meloneras, a partner of the existing Maspalomas Golf Club on Gran Canaria. Maspalomas, which opened in 1968, will this year host the first Volvo tour event

to be held on Gran Canaria: the Las Canarias Open, from Feb. 9 to 12.

Temperate summer

The golf director of the club, Juan Bosch, says: "Our climate is without doubt the finest for golf in the European Union. With a 12-month season, we can offer summer golf in winter and warm, temperate golfing weather in summer (unlike mainland Spain and Portugal, which are very hot in July and August). I can see the Canaries as a strong rival to the popular European destinations and to those in America."

Carlos Beateu, golf director of a 27-hole layout at Golf del Sur, Tenerife, is also convinced that the Canary Islands will become a

major golf destination. "The islands are at present taking in over 66,000 greens fees a year," he says, "but with a greater choice of courses, we could attract thousands more." He says that most of the golfers are from Britain, but that large numbers also come from Sweden and Germany.

Construction on the first of the new courses on Tenerife is expected to start in March. Another two are on the drawing board, and a fourth is in the early planning stages. The size of the market for traveling golfers is illustrated by the fact that British Airways Holidays, the largest golf tour operator in Europe, distributes 120,000 copies of its annual "Travelling Golfer's Guide."

According to the Swiss-based European Gold Association, in addition to European destinations, the more than 4 million registered European golfers and their unregistered counterparts are increasingly being attracted to courses in the south-

ern states of the United States, South Africa and even farther afield. The Canary Islands are confident that they can compete in this upper end of the tourist market thanks to the well-developed tourism infrastructure that has matured over the years. Apart from high-quality courses and club houses, the traveling golfer can also find good restaurants, night clubs and casinos.

Fishing thrills

Sailing, wind-surfing and tennis are other popular activities for the more energetic visitors to the Canary Islands. And there are those who say there is nothing to beat the thrill of sports fishing off the Canaries with rod and line, hauling in a large tuna, bonito or swordfish. The tourist trade also provides a multinational market testing platform. Its throughput of 8.5 million visitors per year provides a good cross-section of European residents for product testing. Coca Cola, Unilever, Philip Morris and many other companies have made use of this opportunity.



A highly decorated street scene welcomes tourists in the Calle de las Americas, in Santa Cruz de Tenerife.

'OUTLOOK FAVORABLE,' SAYS NOBEL PRIZE ECONOMIST

'In general, the economic environment is good for the Canary Islands.'

MINISTER'S VISION OF A PROSPEROUS FUTURE

'A new law will raise and maintain standards, protecting the tourists against poor service, accommodation and facilities.'



Jose Miguel Gonzalez, regional minister of economy: a strong belief in the scientific future of the islands.

Jose Miguel Gonzalez is a man whose mission in life is to see that the future of his birthplace, the Canary Islands, is secure. This he intends to achieve by establishing a firm foundation of economic planning for the ultimate stage of the islands' integration into the European Union.

"We are blessed with trade winds," he states, "and the islands have traded throughout history. But the present-day prosperity of the islands is due very much to a phenomenon that no ancient trader or mariner could have thought of, and that is tourism. Over 78 percent of our GDP comes from tourism and related activities."

He adds that the only people who could destroy this tourist-based prosperity are the Canarians themselves. "It must therefore be safeguarded and its future assured," he says. "This we intend to do with a new law that will raise and maintain standards, protecting the tourist against poor service, accommodation and facilities. Penalties must be harsh for all those who do not maintain the standards we intend to establish. With this nearly a reality, we can now turn our attention to reviving our historical trading function in tandem with tourism."

Mr. Gonzalez is convinced that the Canary Islands have much more to offer.

They now enjoy unequalled economic privileges from the EU and Madrid, intended to ease the problems that arise from the islands' remoteness from mainland Europe. "These must be capitalized on," the minister states, "and we intend to do so by offering tax reductions, good production facilities and a smooth entry of goods or services into the European market for businesses that set up in the Canaries, wherever they come from."

Mr. Gonzalez adds: "In the Canaries, importation of raw materials is open to a worldwide selection, unlike other EU members who have to give preference to EU products. Areas for production are also being set up, the largest of which is on Tenerife, called Poligono de Granadilla, where we have allocated 7.8 million square meters of public land. There will be land concessions, and some local authorities could offer free land to businesses setting up in the Canaries in order to cut unemployment in their area and help local prosperity."

Chance for scientists

Mr. Gonzalez has a strong belief in a scientific future for the islands, which already host a multitude of research programs through their two universities and other scientific institutions. He proudly announced: "Planning is well

under way for a 1998 launch of a medium-sized telecommunications satellite from the island of Hierro. This will be the first satellite launching station in Europe and one we hope will encourage telecommunication companies to set up R&D divisions on the Canaries." He adds: "I think it would be beneficial to encourage retired scientists to visit us and take advantage of our relaxing way of life and also satisfy their scientific nature with involvement in one of our many projects. The possibilities are endless."

The environment of the islands also occupies the thoughts of Mr. Gonzalez. "A forestation program is well under way with the full support of the EU," he says, "and 24,000 hectares of mainly pine trees have already been planted to help in the fight against erosion."

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Fax: 34-28-227812.
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38003 Tenerife, Spain.
Fax: 34-22-476674.



Lawrence R. Klein, professor of economics: "The Canary Islands will face competition, but their situation is favorable."

Lawrence R. Klein, professor of economics (emeritus) at the University of Pennsylvania, won a Nobel Prize in 1980 and has been closely involved in Spanish affairs for many years. He contributed these comments on the Canary Islands:
"It is useful to pose the development problems of the Canary Islands in the

context of the present economic situation in the world at large and in Spain. "The world economy is in a good recovery phase from the spreading world recession that began in 1989. Europe and North America are recovering nicely, and Japan seems to have staved its recovery. Some of the economies in transition from plan to market are still experiencing difficulties."

"In general, the economic environment is good for the Canary Islands. Other developing areas are bidding for financial capital from the same funding pool, so the Canary Islands will face competition, but their situation is favorable and attractive. They can learn from the development steps and aspirations of other economies in Latin America and Africa. For the Canary Islands are in the crossroads of South Atlantic communication between the Americas and Africa."

"Development strategies for tourism, financial center activities, other services and light manufacturing appear to be plausible."

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PROGRAM DIRECTOR: Bill Mulder.

Close of trading Friday, Jan. 27

CAPITAL MARKETS ON MONDAY

Caution Prevails Ahead of Rate News

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Jan. 27. Prices supplied by Telekurs.

Rank Name Cdn Maturity Price Yield

Australian Dollar

188 NSW Jersey zero 05/01/04 81.000 10.9500

Austrian Schilling

244 Austria 7% 10/18/04 99.600 7.6600

Belgian Franc

144 Belgium 7 04/29/99 97.500 7.1900

Canadian Dollar

212 Canada 4% 06/01/04 82.410 7.8873

220 Hydro Quebec 11 02/01/99 102.500 10.7300

Danish Krone

4 Denmark 7 12/15/04 87.300 8.2000

12 Denmark 6 12/10/99 89.900 8.5700

22 Denmark 6 11/15/98 101.300 8.8200

30 Denmark 6 11/15/98 102.300 8.8100

37 Denmark 6 05/15/03 94.350 8.4000

53 Denmark 6 11/15/01 95.400 8.2900

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169 Stockholm 20 10/02/95 95.878 6.3800

Deutsche Mark

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Table with columns: Rank, Name, Cdn, Maturity, Price, Yield. Includes sections for Finnish Markka, French Franc, and Italian Lira.

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By Carl Gewirtz
International Herald Tribune
PARIS — In the view of dejected bond salesmen, institutional investors will grapple at any excuse these days to do nothing. This event-filled week should provide ample justification for doing just that.

The major event is the mid-week meeting of the U.S. Federal Reserve Board's policy-setting Open Market Committee. It is a foregone conclusion that it will push up the federal funds rate on overnight interbank loans and raise its discount rate on loans to commercial banks by half a percentage point each, or 50 basis points.

Assuming the increase is the expected 50 basis points, attention will then shift to Friday's report on January employment and hourly wage rates, both of which are seen as rising, and, therefore, fanning renewed concern about how soon the Fed will raise rates and by how much. The FOMC's next meeting is March 28.

Thursday's monthly meeting of the Bundesbank is another reason for investors to adopt a wait-and-see approach, even though no change in German rates is expected. By contrast the monthly meeting between the Bank of England and the Treasury is expected to result in a half-point rise in British rates. A failure to act following the recent disappointing data on

inflation, analysts warn, could fuel a sell-off in the bond market. A further reason for caution is next weekend's meeting of the Group of Seven finance ministers in Toronto. While the meeting is expected to focus on Russia and Mexico, investors always get jittery any time these officials get together. Analysts also expect rate increases in Canada, Italy, Spain and Sweden.

Nonetheless, bond markets scored a remarkable performance last week when, for the first time this year, prices rose in every major domestic government market. The driving force, analysts said, was activity in the futures markets and position-taking by dealers. "There's extraordinary little genuine institutional demand in any market except in Germany," observed one analyst.

"I'm itching to get bullish on the dollar," but frankly I'm scared since it all went so wrong last year when it shouldn't have," George Magnus at S.G. Warburg & Co. in London warned clients. "Don't get too carried away. It's still far too early to get optimistic about the dollar or U.S. assets. The economy is not about to keep pressure on the Fed to increase interest rates."

In Europe, Mr. Magnus sees pervasive pressures on growth fueling inflation and pushing up interest rates. In his view, the safest current investment is cash, preferably Deutsche marks, Swiss francs and sterling. Neil MacKinnon at Citibank in London sees "too much complacency about inflation" and warns that overnight U.S. interest rates are headed higher to a peak of 8 percent from the current level of 5.5 percent.

gaining favor, Paul Mastroddi at J.P. Morgan & Co. in New York insists the recent economic data underlying this assessment is likely "another false alarm of the sort that swept through financial markets last summer." Morgan analysts see at least six months of strong growth and project short-term rates to peak at 8 percent.

Likewise, differing views about the timing and direction of the next change in German interest rates colors the outlook for German bonds. Those who see a possible easing in German short-term rates following the latest data on declining inflation and money supply growth expect yields on 10-year government paper to decline from the current level of 7.4 percent to 7.25 percent and then to start rising again later in the year.

Turning to technical issues, the international bond market's two clearing systems, Euroclear and Cede, as well as the organizations representing underwriters and traders, issued a joint policy statement last week on the physical delivery of Eurobonds. As of March, new issues will either take the form of a global certificate on deposit at a clearing house or individual definitive forms that can be delivered to investors.

The policy is aimed at eliminating the so-called semi-permanent global instrument which allowed investors who wanted physical delivery to request it. The two sets of individual notes and global certificates were not always fungible and the holders of physical notes appeared to have a legal advantage if the issuer declared bankruptcy.

The policy is also aimed at preventing what observers call the bad practices of the private-placement market from infecting the public market. A common practice in the private placements is to offer definitive private notes if the investor pays the cost, and notes only if the investor pays the cost, and notes only if the investor pays the cost, and notes only if the investor pays the cost.

Acknowledging that this view of an imminent soft landing for the U.S. economy is hiked, But I am convinced that if we had not acted, your business would have suffered."

He said the low-inflation environment produced by the rate increases raised consumer confidence in sustained economic growth. His comments came after the association criticized the Fed's rate moves over the past year, saying the central bank's actions

tions fostered rising home mortgage loan rates. The Fed pushed up short-term interest rates on federal funds, or overnight loans among banks, by a 2.5 percentage points, as part of its war on inflation. Another rate increase is expected after the central bank's Open Market Committee meeting on Tuesday and Wednesday.

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LVMH
MOËT HENNESSY • LOUIS VUITTON
REPORTS 17.4 % RISE IN 1994 SALES
In 1994, the LVMH Moët Hennessy Louis Vuitton Group recorded preliminary consolidated net sales of FF 28 billion, an increase of 17.4 % over the 1993 level.
The major characteristics of 1994 were:
• volume growth in all segments of activity;
• sales growth in all geographical markets;
• recovery in champagne sales;
• higher sales growth in the luggage and perfumes segments than in the wines and spirits activities, confirming the validity of the Group's development strategy;
• a series of successful new product launches: the Taiga line at Louis Vuitton, Tendre Poison and Hydra at Star at Parfums Christian Dior, Fleur d'Interdit at Givenchy, Kashaya de Kenzo, the Bazar line at Christian Lacroix;
• an acceleration of sales growth in the latter part of the year;
• the acquisitions of Guerlain and Kenzo have strengthened the Group's brands, resulting in the world's most prestigious portfolio of premium perfumes;
• a substantial reduction in financial expenses.
By segment of activity, Group sales increased as follows:

In FF million	1993	1994
Champagne and wines	5,444	5,712
Cognac and spirits	5,846	5,983
Luggage and leather goods	5,665	6,716
Perfumes and beauty products	6,128	7,695
Other activities	736	1,866
TOTAL	23,819	27,972

Taking into account these favorable factors, LVMH continues to anticipate net income growth of better than 20 % in 1994.
The trends recorded in 1994 should continue into 1995.
The Group's major expectations for 1995 are as follows:
• continued economic growth in the Group's major markets, notably the US and Asia, as well as even clearer improvement in Europe;
• further volume growth across all segments;
• continuation of higher growth rate in perfumes and luggage;
• continued profitability improvements in wines and spirits, particularly in champagne;
• completion of Louis Vuitton's new production facility, which will strengthen its ability to meet growing demand;
• new product launches, particularly at Parfums Christian Dior, Parfums Givenchy, Guerlain and Louis Vuitton;
• exploitation of new synergies among Group companies, notably in distribution, logistics and human resources.
The Group will maintain its strategic focus on internal growth, though selective external growth opportunities will be considered as they arise.
Reflecting all of these elements, the Group has set for itself significant net income growth objectives for 1995.
The LVMH Group's full results for 1994 will be released on March 23, 1995.
LVMH, THE WORLD'S LEADING LUXURY PRODUCTS GROUP

New International Bond Issues
Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price and week	Terms
Belgium	5500	2000	8 1/4	101.55	100.70	Reoffered at 99.90, Noncallable, Fees 1 1/2%, (Morgan Stanley Int'l)
Beta Finance	5200	1997	8	100.93	—	Reoffered at 99.93, Noncallable, Fees 1 1/2%, (Barclays de Zeele Weeld.)
Caisses Françaises de Développement	5290	2000	8	101.58	100.45	Reoffered at 99.91, Noncallable, Fees 1 1/2%, (Barclays de Zeele Weeld.)
Crédit Foncier de France	5250	1998	8	101.02	100.15	Reoffered at 99.8325, Noncallable, Fees 1 1/2%, (Paribas Capital Markets.)
Morgan Guaranty Trust New York	5200	2000	8.40	100.10	100.10	Callible at par in 1996, Fees 0.25%, (J.P. Morgan.)
Suedwestdeutsche LB Capital Markets	5200	1997	7 1/2	101.03	100.30	Reoffered at 100.03, Noncallable, Fees 1 1/2%, (Swiss Bank Corp.)
Swiss Bank Corp. (Lisieux)	5200	1999	8	101.13	99.75	Reoffered at 99.73, Noncallable, Fees 1 1/2%, (Commerzbank.)
Export-Import Bank of Japan	DM 750	2005	7 1/4	102.25	—	Reoffered at 99.80, Noncallable, Fees 2 1/2%, (Bayerische Landesbank.)
Bank of Japan	DM 500	2000	7 1/4	102.13	—	Reoffered at 99.88, Noncallable, Fees 2 1/2%, (Dresdner Bank.)
Bank of Japan	DM 500	2000	7 1/4	102.10	—	Reoffered at 99.85, Noncallable, Fees 2%, (Merrill Lynch Int'l)
World Bank	DM 500	1999	7 1/4	99.93	—	Noncallable, Fungible with outstanding issue, raising total amount to 2.5 billion marks, Fees 0.25%, (Morgan Stanley.)
Daily Mail & General Trust	£100	2005	9 1/4	101.24	—	Reoffered at 99.64, Noncallable, Fees 0.325%, (CS First Boston.)
Japan Finance Corp. for Municipal Enterprises	¥130	2005	9 1/4	99.217	—	Noncallable, Fees 0.325%, (J.P. Morgan Securities.)
Service Corp. Int'l	€265	2002	9 1/4	100	—	Semiannually, Noncallable, Fees 0.375%, (J.P. Morgan Securities.)
Société Nationale des Chemins de Fer Belges	€200	2020	9 1/4	99.94	—	Noncallable, Fees 0.625%, (S.G. Warburg Securities.)
Deutsche Bank Finance	ITL 150,000	1997	zero	82.68	81.48	Yield 10%, Noncallable, Proceeds 122 billion lire, Fees 0.875%, (Banca Nazionale del Lavoro.)
European Bank for Reconstruction and Development	ITL 150,000	1996	zero	91.705	91.40	Yield 9.045%, Noncallable, Proceeds 136 billion lire, Fees 0.875%, (Banca Nazionale del Lavoro.)
Landwirtschaftliche Rentenbank	ITL 150,000	1998	11	101.26	99.85	Noncallable, Fees 1 1/2%, (Banca Commerciale Italiana.)
Nederlandse Waterschapswaak	af 250	2001	7 1/2	101 1/2	100.30	Reoffered at 99.50, Noncallable, Fees 1 1/2%, (Robobank Nederland.)
Bayerische Vereinsbank	ECU 125	1999	8 1/4	101.35	100.10	Reoffered at 99.95, Noncallable, Fees 1 1/2%, (Barclays de Zeele Weeld.)
Crédit Local de France	ECU 150	1998	8 1/4	101.235	99.40	Reoffered at 99.81, Noncallable, Fees 1 1/2%, (Barclays de Zeele Weeld.)
European Investment Bank	ECU 400	2000	8 1/4	101.185	99.95	Reoffered at 99.56, Noncallable, Fees 1 1/2%, (Swiss Bank Corp.)
General Electric Capital Corp.	ECU 100	2000	8 1/4	101.263	100.10	Reoffered at 99.638, Noncallable, Fees 1 1/2%, (Merrill Lynch Int'l)
Suedwestdeutsche LB Capital Markets	ECU 100	2000	8 1/4	101.45	99.48	Reoffered at 99.825, Noncallable, Fees 1 1/2%, (IABN-AMRO Bank.)
New South Wales Treasury Corp.	Aus 100	1998	4 1/2	86.884	—	Semiannually, Noncallable, Fees 1 1/2%, (Barclays de Zeele Weeld.)
Toyota Motor Credit Corp.	Aus 125	1998	10 1/4	101.45	100.30	Noncallable, Fungible with outstanding issue, raising total amount to 2.5 billion marks, Fees 0.25%, (Morgan Stanley.)
Mitsubishi Estate	¥ 10,000	1999	3 1/2	100.18	—	Noncallable, Fees 0.20%, Denominations 10 million yen, (Mitsubishi Finance.)
Mitsubishi Estate	¥ 10,000	2001	4 1/2	100.825	—	Noncallable, Fees 0.20%, Denominations 10 million yen, (Mitsubishi Finance.)
Equity-Linked Kuraray	¥ 100	1999	4 1/2	100	—	Noncallable, Each \$5,000 note with one warrant, exercisable into company's shares at an expected 2 1/2% premium, Fees 2 1/2%, Terms to set Feb. 1, (Daiwa Europe.)

Last Week's Markets
All figures are as of close of trading Friday

Stock Indexes	Jan. 27	Jan. 26	Ch'ge
United States	3857.99	3889.43	-0.3%
DJ Indus.	192.20	191.10	+0.6%
OJ Indus.	1522.10	1522.10	+0.0%
OJ Trans.	45.82	45.82	+0.0%
S & P 500	470.39	464.78	+1.2%
S & P 100	554.69	551.98	+0.5%
NYSSE	255.89	255.38	+0.2%

Money Rates	Jan. 27	Jan. 26	Ch'ge
United States	5 1/4	5 1/4	0
Discount rate	5 1/4	5 1/4	0
Prime rate	5 1/4	5 1/4	0
Federal funds rate	5 1/4	5 1/4	0
Japan	1 1/4	1 1/4	0
Osaka	2 1/4	2 1/4	0
Call money	2 1/4	2 1/4	0
3-month interbank	2 1/4	2 1/4	0
Germany	6 1/2	6 1/2	0
3-month interbank	6 1/2	6 1/2	0
Britain	5 1/2	5 1/2	0
Call money	5 1/2	5 1/2	0
3-month interbank	5 1/2	5 1/2	0
France	6 1/2	6 1/2	0
Call money	6 1/2	6 1/2	0
3-month interbank	6 1/2	6 1/2	0
Italy	6 1/2	6 1/2	0
Call money	6 1/2	6 1/2	0
3-month interbank	6 1/2	6 1/2	0
Spain	6 1/2	6 1/2	0
Call money	6 1/2	6 1/2	0
3-month interbank	6 1/2	6 1/2	0
Sweden	6 1/2	6 1/2	0
Call money	6 1/2	6 1/2	0
3-month interbank	6 1/2	6 1/2	0
Switzerland	6 1/2	6 1/2	0
Call money	6 1/2	6 1/2	0
3-month interbank	6 1/2	6 1/2	0
U.S. 1-month	5 1/4	5 1/4	0
U.S. 3-month	5 1/4	5 1/4	0
U.S. 6-month	5 1/4	5 1/4	0
U.S. 1-year	5 1/4	5 1/4	0
U.S. 2-year	5 1/4	5 1/4	0
U.S. 3-year	5 1/4	5 1/4	0
U.S. 4-year	5 1/4	5 1/4	0
U.S. 5-year	5 1/4	5 1/4	0
U.S. 10-year	5 1/4	5 1/4	0
U.S. 20-year	5 1/4	5 1/4	0
U.S. 30-year	5 1/4	5 1/4	0
U.S. 40-year	5 1/4	5 1/4	0
U.S. 50-year	5 1/4	5 1/4	0
U.S. 60-year	5 1/4	5 1/4	0
U.S. 70-year	5 1/4	5 1/4	0
U.S. 80-year	5 1/4	5 1/4	0
U.S. 90-year	5 1/4	5 1/4	0
U.S. 100-year	5 1/4	5 1/4	0
U.S. 110-year	5 1/4	5 1/4	0
U.S. 120-year	5 1/4	5 1/4	0
U.S. 130-year			

By Barbara Grady

Internet address: CyberScape@iht-lib.demon.co.uk

Compiled by Our Staff From Dispatches

_____ (NAME/S, AFI)

By Lawrence Malkin

Chase \$100 million.

See TRADERS, Page 12

Reviews

Commenting on the search for a friendly suitor, Sir Antho-

Glaxo has offered the equivalent of £10.12 a share in cash and Glaxo stock, a figure that Wellcome executives are expected to argue does not fully

Several companies have been mentioned as possible hidders, including Merck & Co., Pfizer Inc. and Bristol-Myers Squibb Co. of the U.S., Hoechst AG of Germany, and Roche Holding AG of Switzerland.

But the stock market apparently views a counterbid as unlikely. Wellcome shares closed Friday at 998 pence on Friday, 14 pence below Glaxo's offer.

Compiled by Our Staff From Dispatches

China to curb alleged rampant copyright piracy and to close 29 plants in the country's southern region that churn out some 80 million fake compact disks annually, 95 percent of which are exported.

Washington and industry leaders say there is rampant bootlegging in China of foreign recorded music and films. They also say Chinese factories are flooding Asia with illegal disks (Reuters, AFP)

References

For further details on how to place your listing contact: **WILL NICHOLSON** in London
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Herald Tribune

Cuba, Bidding for Aid, Insists It Is Not Capitalist

DAVOS, Switzerland — Cuba made a strong bid this weekend for foreign investment, insisting that its new opening to the outside world was a permanent part of an irreversible economic reform policy.

But while accusing the United States of blocking its efforts to diversify trade and economic links — despite openings to communist Vietnam and North Korea — it warned it was not offering "a transition to capitalism" on the island.

Carlos Lage, a vice president and key architect of the reform process, brought the message to the World Economic Forum — a gathering of business and political leaders Havana would once have scorned as a capitalist club.

"For a small country, integration into the world economy is indispensable for survival,"

said Mr. Lage, the first senior official from Cuba to attend the annual forum.

"We have no doubt that the world has to move towards integration and that our country and its economy have to be part of that," Mr. Lage said, adding that he had found "respect and sympathy" in Davos for Cuba's efforts in that direction.

"An important element of our strategy is our opening to foreign investments as an indispensable source of capital, technology and markets," Mr. Lage told a special session devoted to Cuba.

"This opening is not temporary or restricted to the period our economic recovery requires," he said. "On the contrary, it is a permanent and irreversible element in the future of the Cuban economy."

During the more than three decades that President Fidel Castro has been in power, Cuba has

mainly followed a Soviet-style policy of strict government control of the economy, with little room for private enterprise or outside investment.

But the island nation has been badly hit by the collapse of the Soviet Union and the European communist bloc which were Cuba's major economic partners. The end of this relationship has deepened the effects of the long U.S. economic blockade.

Mr. Lage told the Davos meeting that after three years of decline, the economy had begun to turn around last year "with a 0.7 percent growth that is a significant expression of the country's ability to leave the worst period behind."

Last week, he told the Communist Party newspaper Granma that 1994 had seen increased foreign investment, an encouraging trend towards more balanced finances, and growth in

tourism, in crude oil output and in some industries outside the sugar sector.

But he said it was too early to announce the start of economic recovery.

Cubans "still have as the most serious of our problems the limitation on foreign currency which provides our capacity to import resources that we need," he told the newspaper, "to reactivate the country's productive capacity."

In Davos, he held out the prospect of quick returns on foreign investment — on which a new law is being prepared following changes in the constitution to allow joint ventures between Cuban and foreign companies.

"We have an industrial capacity that has to be developed. Foreign investment can bring returns in three to four years."

Poll Says Britons Don't Want Monetary Union

Compiled by Our Staff From Dispatches

LONDON — Most Britons oppose a single European currency, according to an opinion poll released on Sunday.

In spite of the commitment of Jacques Santer, the European Commission's president, to a single currency before the end of the century, 55 percent of British people are against the scheme. The poll will come as welcome reading for John Major, the British Prime Minister, who opposes a single currency in 1997.

Employment Minister Michael Portillo of Britain came out Saturday against Mr. Santer's position.

"We have decided that if this proposition comes up, as Mr. Santer says it might, in 1996 or 1997, it's not a proposition that we could recommend for Britain," Mr. Portillo told the BBC in an interview, speaking from Davos, Switzerland, where he was attending the World Economic Forum.

"It would be very difficult for most of the member countries of the EU to achieve fully the proper convergence criteria by then," he added, referring to the economic requirements states have to meet for monetary union.

Britain has reserved the right to opt out of the single currency under the Maastricht Treaty on European Union.

Fewer than one in three Britons — 31 percent — favor a single currency, according to a poll carried out for British Broadcasting Corp.

A further 13 percent were undecided and 1 percent said they would not vote in a referendum on the issue.

The poll also found that those opposing the idea feel more strongly about it than those in favor. Of those against, 23 percent felt "very strongly" and 22 percent "fairly strongly." But of those in favor, only 6 percent felt very strongly and 19 percent fairly strongly.

The survey was carried out between Jan. 13 and Jan. 15 among a sample of 1,015 people.

On Saturday, Mr. Santer said the European Union was not likely to return to the narrow fluctuation bands in its exchange-rate mechanism, which kept most of the currencies trading within 2.5 percent ranges against the others until speculators busted it apart in 1993. Asked if the EU states were interested in returning to narrow currency bands from the current 15 percent ranges in the short or medium-term, Mr. Santer replied: "I don't think so, not at this moment. The European Monetary System has worked well, better than I thought when we had the crisis of August 1993."

But Mr. Santer said it is still possible a majority of European Union states will meet the economic criteria required to establish monetary union by 1997. "It is still feasible to reach the criteria," he said. "I am confident that we could still reach the first target date of 1997. If we can't reach it in 1997, then we will in 1999."

Earlier, Mr. Santer told the World Economic Forum that one of his top priorities was to ensure that the EU moves into monetary union according to the Maastricht treaty timetable.

(Knight-Ridder, AFP)

MEXICO: Growing Fears of a Default if Congress Does Not Approve Aid

Continued from Page 1

Saturday that financial "chaos" threatened to strike much of Latin America if Congress did not approve the aid package.

He insisted that Argentina would not suffer as a result of the Mexican crisis and that it would never devalue its currency.

But he stressed that unless the U.S. loan guarantees for Mexico were approved, those Latin American economies which are not strongly based could suffer the same as Mexico, meaning a liquidity crisis and perhaps even a debt crisis.

The Argentine president said the consequences of the United States' not providing aid for Mexico could be described "in just one word: chaos."

Following conversations this weekend with U.S. and Mexican officials, Mr. Hale of Kemper Securities said that "because of the large and continuing decline of Mexico's foreign exchange reserves, the risk of Mexico defaulting on \$18 billion worth of dollar-linked tesobonos is higher than people realize if we do not obtain the congressional aid package."

Mr. Hale added that "Mexico right now is analogous to an airplane that has dropped from 35,000 feet to 2,000 feet while American congressional politicians

debate whether we should turn the engine back on."

Mr. Soros told a group of reporters in Davos that failure to pass the congressional package soon could lead to "default and a run on Mexican banks." He and others said the danger was that the current liquidity crisis could escalate to a full-blown debt crisis.

While the nerves of world financial leaders jangled at the prospect of a delay in the U.S. aid package, others at the Davos meeting voiced concerns about the way financial markets might react to the situation in Mexico.

"The markets have become impossible to read, even by experts," said Mr. Iglesias of the Inter-American Development Bank. "I must confess I was a little bit surprised to see how the markets first read the announcement of the measures for Mexico."

Mr. Iglesias added that he was also surprised at the market's lack of enthusiasm for the 18-month, \$7.8 billion standby loan agreed to last week by the International Monetary Fund. "It is very difficult to know exactly now what are the elements that the markets are taking into account."

"A very bad reading by the markets would contribute to a systemic problem in other emerging markets of the region and the world," Mr. Iglesias said. "That must be avoided."

Robert D. Hormats, a former U.S. financial official and the vice chairman of Goldman Sachs (International) Inc., said: "When Mexico catches a cold, the whole world also gets sick. The financial markets are so interconnected in ways that nobody could have imagined before that they are magnifying volatility."

Japan may extend additional loans to help Mexico through its economic crisis, Reuters reported from Tokyo.

The Kyoto news agency, quoting financial sources, said the loans would come on top of a \$1.3 billion loan the Bank of Japan announced earlier this month to prop up the sagging peso.

The new loan was aimed at meeting demands from the United States for more monetary assistance for Mexico, the news agency said.

Initially, Washington had asked Japan and other industrialized countries to provide \$5 billion through the Bank for International Settlements in Basel, Switzerland.

The Group of Seven finance ministers and central-bank presidents will discuss the size of the additional package and shares at their meeting in Toronto, the news service said.

DAVOS ROUNDUP

Russia Says Investment a Priority

Compiled by Our Staff From Dispatches

Stimulating investment will be Russia's top priority this year, Economics Minister Evgeny Yasin said Sunday, adding that the government was finalizing a three-year program to create more favorable conditions for investors.

For the last two years, Mr. Yasin said, the government has done little to stimulate foreign investment because of Russia's economic and political instability. Stimulating domestic investment was also pointless, he said, because the centralized economy was disintegrating and there was little private money available.

But with official estimates showing that Russians are saving an "amazing" 25 percent of their personal income, Mr. Yasin said, "now our aim is to turn these savings into investment."

Also on Sunday, Anatoly Chubais, Russia's first deputy prime minister, said he had "additional reason for optimism" on a \$6.25 billion standby loan from the International Monetary Fund after talks in Davos with Stanley Fischer, first deputy managing director of the Fund.

On Saturday, Mr. Chubais suggested that oil revenue from Chechnya could be used to offset the cost of the war Russia is waging against the region. "This may surprise you to hear me say this but the Chechnya affair is not just expenses for Russia, but also a kind of revenue," he said. "In 1994, Chechnya produced 2 million tons of oil." He did not elaborate on that statement.

(Knight-Ridder, Reuters)

Quake's Market Impact 'Limited'

Knight-Ridder

The impact of the Kobe earthquake on international capital flows will be "quite limited," according to Kosuke Nakahira, Japan's deputy minister of finance for international affairs.

Costs of reconstruction after the disaster, which killed more than 5,000 people, have been estimated at up to \$50 billion, prompting concern that a massive redirection of Japanese capital could create problems in international markets.

Mr. Nakahira said the Japanese government had increased public expenditure over the last few years and this would now be rechanneled into reconstructing the devastated Kobe area. While the economy will probably slow down in the near term, he said, an increase in construction spending would probably have a positive effect.

Turkey Unveils Privatization Plan

Bloomberg Business News

Turkey expects foreign investors to be significant participants in a "dramatic" sale of state-owned companies this year, Prime Minister Tansu Ciller said Sunday.

Following approval last week by Turkey's constitutional court of the government's plan to sell large parts of the state economy to the public, Ms. Ciller said there would be a "very dramatic, speeded-up privatization program."

Ms. Ciller rejected suggestions that foreign investors would be deterred, either by the worldwide flight from emerging markets following the Mexican crisis or by fears of political instability in her country.

At the same time, Ms. Ciller said she had had optimistic talks with European Union ministers in Davos regarding Turkey's longstanding application for a customs union with the EU.

For the Record

Ukraine will ask the leaders of the Group of Seven industrial nations for further financial assistance at the G7 summit this summer in Canada, Ukrainian officials said. (Bloomberg)

Nestlé SA expects sales volume to grow at least 5 percent in 1995, Chief Operating Officer Ramon Masip said. The company reported last week that 1994 revenue had fallen 1.2 percent. Nestlé is to release complete 1994 results in April. (Bloomberg)

A WEEK IN THE LIFE OF THE TRIB

Plus daily

Monday MONDAY SPORTS	Thursday HEALTH/SCIENCE	POLITICS AND ECONOMICS	FOOD AND FASHION	THE NEW YORK TIMES CROSSWORD
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Wednesday STAGE	Saturday-Sunday ART/	OPINION AND COMMENTARY	BOOKS AND TRAVEL	PULITZER PRIZE WINNING FEATURE COLUMNISTS
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NASDAQ NATIONAL MARKET

Consolidated trading for week ended Friday, Jan. 27. (Continued)

Stock	Div	Yld	100	High	Low	Chg	Chg
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00

Stock	Div	Yld	100	High	Low	Chg	Chg
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00

Stock	Div	Yld	100	High	Low	Chg	Chg
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00


Stock	Div	Yld	100	High	Low	Chg	Chg
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Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
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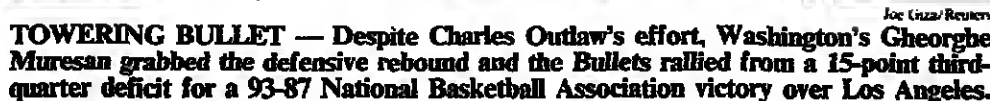
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Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
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Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00
Alcoa	1.00	4.8	100	100.00	99.00	-1.00	-1.00

سكرا من الامن

Owners Plan Offer In Baseball Strike

"You can count the English language as one of the casualties of this dispute," he added. "The clubs keep saying they're ready to negotiate with us. Well, they're the ones who left

His agent, Eric Goldschmidt, who was also indicted, declined to comment. (LAT, NYT)



The Rangers seemed headed for another one-goal defeat, as Kovalenko's goal at 3:49 of the

Cliff Ronning, Mike Peca and Pavel Bure got the goals for

Cliff Ronning, Mike Peca
Pavel Bure got the goals for

Roussel lost the shutout with 45 seconds left when Boston's Cam Neely swept in from the blue line, moved into the center and snuck in a short, low shot.

California, the only team to beat UCLA at home last season, won its third straight at Pauley

No. 13 Arizona St. 79, No. 18 Oregon 76: Mario Bennett had

Cross scored 20 points before leaving with an injury as Florida came from behind to beat Mississippi.

[illegible]

MONDAY SPORTS

Largent, Selmon and Winslow Gain NFL Hall of Fame

By Timothy W. Smith

MIAMI — Steve Largent, the former receiver for the Seattle Seahawks, who at the time of his retirement in 1989 held four National Football League records, has been elected to the Pro Football Hall of Fame in his first year of eligibility.

The five-member Hall of Fame class of 1995 includes Leo Roy Selmon, a defensive end with the Tampa Bay Buccaneers from 1976-84, and Kellen Winslow, a tight end with the San Diego Chargers from 1979-87.

Two men were voted in posthumously Saturday afternoon: Jim Finks, a quarterback for the Pittsburgh Steelers from 1949-55 who was known

for his work as a team administrator with the Minnesota Vikings, Chicago Bears and New Orleans Saints, and Henry Jordan, a defensive tackle with the Green Bay Packers from 1959-69.

Because Largent set a number of records in his 14 seasons with the Seahawks, he was an easy choice.

Largent, a Republican from Oklahoma who was elected to the House of Representatives last November, seemed thoroughly enjoyed with being named to the Hall of Fame. Members of the selection committee reached him on his telephone outside of the South Tulsa Baptist Church, where he was attending a basketball game in which his 10-year-old son, Kelly, was playing.

"In a week when I get to vote on a bill to add an amendment to the Constitution and get elected to the Hall of Fame, it's enough to make my head spin," Largent said. Congress is expected to vote this week on a bill to add a Constitutional amendment on balancing the Federal budget.

His name on the ballot possibly kept other great receivers from consideration. Charlie Joiner and Lynn Swann were nominated, but were not finalists. Finks, who died of cancer last year, was noted as an affable and knowledgeable football administrator. When Pete Rozelle resigned as the NFL's commissioner, Finks was seriously considered as a replacement.

His widow, Maxine, said he never

thought of himself in terms of the Hall of Fame.

"Oh, mercy no," she said. "Jim always appreciated the honor that people in the Hall of Fame received. He would be pleased to be recognized. I know he never thought of himself in those terms. If he was here today, he'd be very proud."

Selmon, winner of the Outland and Lombardi trophies as a senior at Oklahoma, was the first player picked by the Buccaneers, an expansion team in 1976. He had the credentials and talent of a franchise player, was the epitome of the fierce pass rusher and set the standard for the position in the late 1970s. But a herniated disk in his back forced him to retire in 1986.

Jordan, one of the cornerstones of Vince Lombardi's championship teams, started out as a fifth-round draft pick of the Cleveland Browns. But they traded the defensive tackle to Green Bay before the start of the 1959 season and Jordan helped the Packers win six divisional titles, five NFL championships and the first two Super Bowls.

Winslow was plagued by injuries for much of his career, but he is still remembered for his grace on the field. A vital part of the high-flying Chargers guided by quarterback Dan Fouts and their coach, Don Coryell, Winslow was a big target for the abilities of a wide receiver. He finished his career with 541 catches for 6,741 yards and 45 touchdowns.

SIDELINES

New Zealand Advocates Pro Rugby

WELLINGTON, New Zealand (AP) — The New Zealand Rugby Football Union said it will spearhead an international move to have the game's century-old amateur regulations scrapped in favor of open professionalism.

In the most significant decision in its 102-year history, the full NZRFU has unanimously accepted a recommendation from its amateurism sub-committee to urge the International Rugby Board, at its annual meeting in London in mid-March, to immediately repeal the game's amateur regulations.

Swedish Woman Races Into History

PARIS (AP) — Ina Scot, driven by Helen Johansson of Sweden, won the Prix d'Amerique harness race Sunday, making Johansson the first woman to race and win in the 75-year-old competition.

"It's fantastic!" the 32-year-old driver from Mantorp, Sweden, told French TV after Ina Scot edged the French favorite, Vandy, in the 2,700-meter race at the Vincennes race course.

For the Record

The WBA championship committee unanimously denied heavyweight George Foreman's request to be allowed to fight Andre Schultz on April 22, the promoter, Bob Arum, said in Las Vegas.

The Schultz fight would go on as scheduled.

Graham Gooch, England's most prolific Test scorer, said he would retire when this tour ends; he moved past Javed Miandad of Pakistan into third place on all-time Test run-scorers list during his innings of 34 Sunday in Adelaide, Australia.

San Chayon of China, banned three months after failing a drug test last year, set a women's world indoor pole vault mark of 4.10 meters (13 feet, 5.4 inches) in Zweibrücken, Germany. She bettered the mark of 4.08 held by Nicole Rieger of Germany.

SCOREBOARD

NBA Standings

EASTERN CONFERENCE			
Atlantic Division			
Team	W	L	Pct
Orlando	24	14	.630
New York	24	14	.630
Boston	24	14	.630
Philadelphia	24	14	.630
Washington	24	14	.630
Central Division			
Team	W	L	Pct
Cleveland	24	14	.630
Charlotte	24	14	.630
Indiana	24	14	.630
Chicago	24	14	.630
Atlanta	24	14	.630
Memphis	24	14	.630
Detroit	24	14	.630
WESTERN CONFERENCE			
Midwest Division			
Team	W	L	Pct
Utah	24	14	.630
San Antonio	24	14	.630
Houston	24	14	.630
Denver	24	14	.630
Dallas	24	14	.630
Minnesota	24	14	.630
Pacific Division			
Team	W	L	Pct
Phoenix	24	14	.630
Seattle	24	14	.630
L.A. Lakers	24	14	.630
Sacramento	24	14	.630
Portland	24	14	.630
Golden State	24	14	.630
L.A. Clippers	24	14	.630

PRIME-TIME RESULTS

Game	Score
Golden State 77, Boston 71	
Phoenix 84, Seattle 77	
Portland 84, Sacramento 77	
Utah 84, Denver 77	
San Antonio 84, Houston 77	
Dallas 84, Minnesota 77	
Phoenix 84, Seattle 77	
Portland 84, Sacramento 77	
Utah 84, Denver 77	
San Antonio 84, Houston 77	
Dallas 84, Minnesota 77	

SATURDAY'S RESULTS

Game	Score
L.A. Lakers 110, Boston 94	
Golden State 110, Seattle 94	
Portland 110, Sacramento 94	
Utah 110, Denver 94	
San Antonio 110, Houston 94	
Dallas 110, Minnesota 94	

Other Major College Scores

Game	Score
Michigan 34, Ohio State 21	
Alabama 34, Auburn 21	
Georgia Tech 34, Florida 21	
Notre Dame 34, USC 21	
Stanford 34, Cal 21	

Top 25 College Results

Game	Score
Michigan 34, Ohio State 21	
Alabama 34, Auburn 21	
Georgia Tech 34, Florida 21	
Notre Dame 34, USC 21	
Stanford 34, Cal 21	

NHL Standings

EASTERN CONFERENCE			
Atlantic Division			
Team	W	L	Pct
N.Y. Islanders	24	14	.630
Philadelphia	24	14	.630
Pittsburgh	24	14	.630
Washington	24	14	.630
N.Y. Rangers	24	14	.630
Northeast Division			
Team	W	L	Pct
Pittsburgh	24	14	.630
Quebec	24	14	.630
Buffalo	24	14	.630
Boston	24	14	.630
Montreal	24	14	.630

WESTERN CONFERENCE

Central Division			
Team	W	L	Pct
Detroit	24	14	.630
St. Louis	24	14	.630
Dallas	24	14	.630
Chicago	24	14	.630
Wisconsin	24	14	.630
Pacific Division			
Team	W	L	Pct
San Jose	24	14	.630
Anaheim	24	14	.630
Calgary	24	14	.630
Edmonton	24	14	.630
Los Angeles	24	14	.630
Vancouver	24	14	.630

FRIDAY'S RESULTS

Game	Score
Golden State 110, Boston 94	
Phoenix 84, Seattle 77	
Portland 84, Sacramento 77	
Utah 84, Denver 77	
San Antonio 84, Houston 77	
Dallas 84, Minnesota 77	

SATURDAY'S RESULTS

Game	Score
Golden State 110, Boston 94	
Phoenix 84, Seattle 77	
Portland 84, Sacramento 77	
Utah 84, Denver 77	
San Antonio 84, Houston 77	
Dallas 84, Minnesota 77	

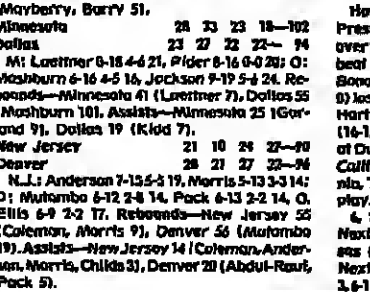
ITALIAN FIRST DIVISION

Game	Score
Inter Milan 2, Lazio 1	
AC Milan 2, Fiorentina 1	
AS Roma 2, Juventus 1	
Parma 2, Sampdoria 1	
Atalanta 2, Bologna 1	

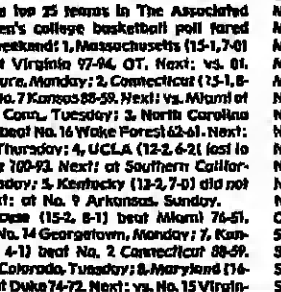
ENGLISH FIRST DIVISION

Game	Score
Manchester United 2, Arsenal 1	
Liverpool 2, Tottenham 1	
Chelsea 2, Manchester City 1	
Sheff Wed 2, Aston Villa 1	
Derby 2, Nottingham 1	

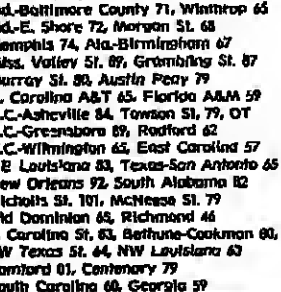
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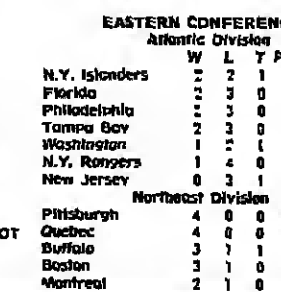
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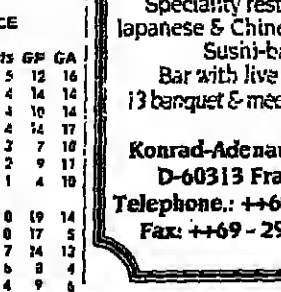
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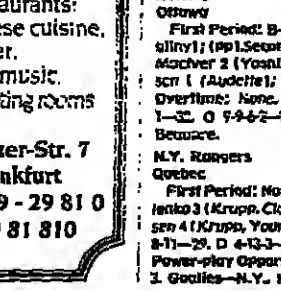
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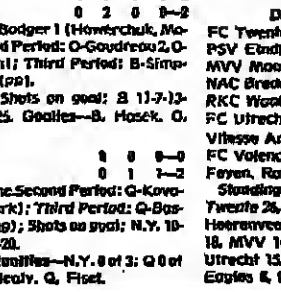
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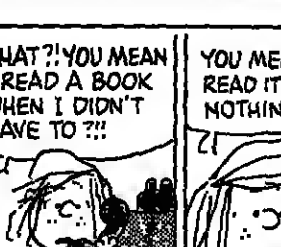
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BEETLE BAILEY



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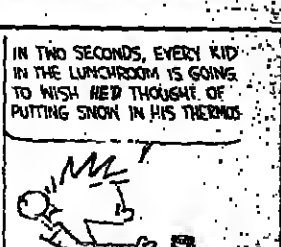
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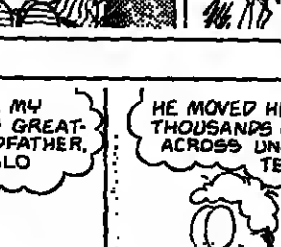
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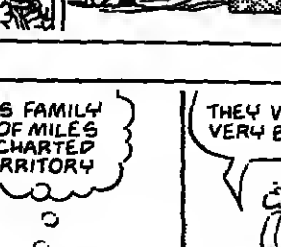
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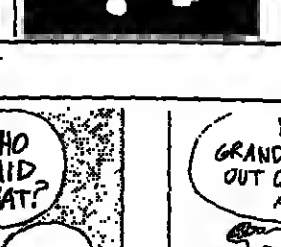
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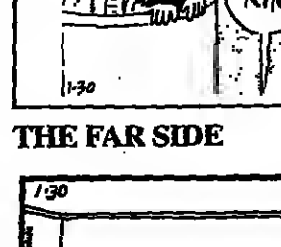
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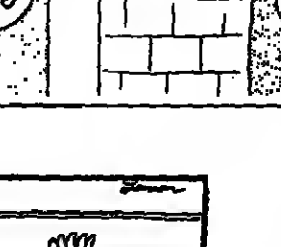
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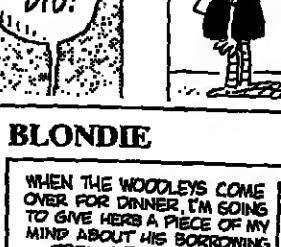
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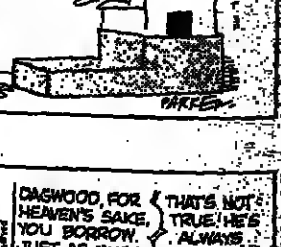
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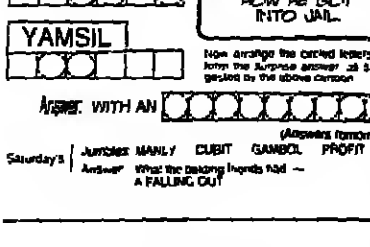
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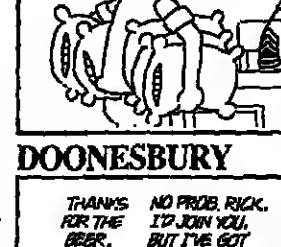
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MONDAY SPORTS

Tougher Pierce Tops Hampered Sánchez-Vicario

By Robin Finn
New York Times Service

MELBOURNE — Mary Pierce, the prodigy who needed to cut parental ties to achieve the destiny of a now-banished tennis father had demanded of her, has finally attained some Grand Slam peace of mind by winning the Australian Open.

The 20-year-old Pierce, a citizen of the world who carries three passports but claims French as her nationality, became the first woman from that country to win a Grand Slam singles title since Françoise Dürr prevailed at the 1967 French Open. She made up for her 1994 French Open final loss with a vengeance Saturday afternoon, seizing her first Grand Slam title with a 6-3, 6-2 defeat of the top-seeded Arantxa Sánchez Vicario.

As has been the case for two years, Pierce's father and former coach, Jim, was not on hand to see his daughter triumph by playing just the way he taught her: hitting her ground strokes with brute force. Jim Pierce continues to be unconditionally banned from the circuit for his habitual disruptions of Mary's matches on the court and his alleged abuse of her off the court. She did not mention him when she received her trophy, though she later alluded to her hope of pursuing a civil father-daughter relationship when she said, "I have him in my thoughts outside of my tennis life."

Pierce almost forgot how to serve in the opening set, and didn't manage to hold until the fifth game. But Sánchez Vicario had the same handicap, and didn't hold until the sixth game, so this off-serve format initially failed to prove a setback to either player.

But a nagging twinge of tendinitis in her right arm did, Sánchez Vicario said, hamper her serving ability, and without that component in working order, she felt herself to be all too exploitable.

She called it a small but deserved consolation that, due to Steffi Graf's withdrawal from next week's tournament in Tokyo, the top ranking will automatically be ceded on Feb. 6, making her the first Spanish woman to be ranked No. 1.

"It would be nicer if I had been able to win this event, but I've been working hard to get to No. 1," she said.

Pierce, now coached by Nick Bollettieri and Sven Groeneveld, has apparently gained the missing link to her game, mental composure, that enabled her to reach this new height — and a career-best ranking of No. 3.

Neither player had dropped a set heading into the final, but Pierce, always imperious and occasionally foul-mouthed on the muggy stadium court, was not only the more powerful player, she was the most accurate playmaker. The Spaniard had 30 unforced errors and was compromised by her serve, which failed her on six occasions and offered Pierce 15 break opportunities.

Pierce swore at herself, and took a couple of martial whacks at her own flanks, for allowing Sánchez Vicario to tie the opening set 3-3, then settled down and held serve for a 4-3 advantage. When Sánchez Vicario fell into a 0-40 chasm in the next game, Pierce powered her way to a 5-3 break with a blistering forehand that set up her overhead winner off the Spaniard's defensive lob.

Pierce served out the set with ease, and twice hit winners with such velocity that even Sánchez Vicario, who rivals Michael Chang with her retrieval instincts, didn't bother to give chase.

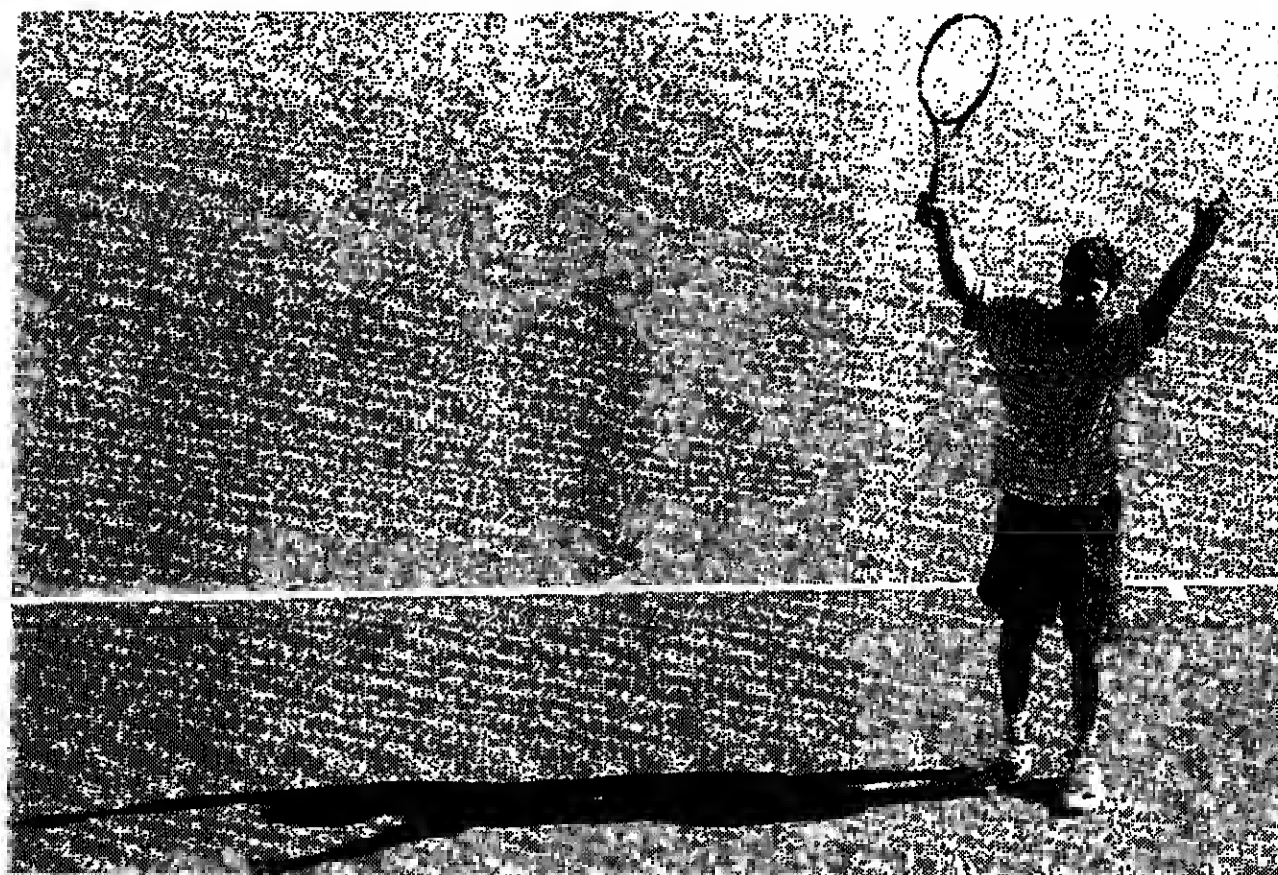
A wild forehand, her 16th such error from that side, cost Sánchez Vicario her first service game in the second set, and although she broke immediately back and then held for a 2-1 lead, Pierce took over for good in the fifth game.

"The only time I thought I played really well was at the end of the second set," she said. "I wasn't looking over at the other side to see who I was playing. I wasn't looking at the score, and even when I was serving it out with two match points, I wasn't nervous."



William West/Agence France-Press

Pete Sampras, above, was emotionally and physically drained on Sunday as he spoke about his ailing coach, Tim Gullickson, following his loss in the Australian Open men's final. The winner, Andre Agassi, right, was elated with his second straight Grand Slam championship, then praised Sampras's courage and said, "He's a class act." Mary Pierce, below, had earlier beaten the top-seeded Arantxa Sánchez Vicario in the women's final to capture her first Grand Slam title.



Greg Gohring/Reuters



Greg Wood/Agence France-Press

Agassi Wears Down Sampras for Title

The Associated Press

MELBOURNE — Andre Agassi absorbed a 28-ace barrage by Pete Sampras, wore him down from the baseline and lifted his Australian Open title Sunday in a spectacular match that moved him closer to taking away the No. 1 ranking now held by his opponent.

Agassi won his second straight Grand Slam championship with a 4-6, 6-1, 7-6 (8-6), 6-4 victory over the weary Sampras, who had had to survive two five-set and a four-set matches to get to the final.

He simply couldn't continue running around the court to keep up with Agassi. Serves kept Sampras in the match, but it was Agassi's 10th ace that beat him.

Agassi, playing in the Australian Open for the first time, added this title to those from Wimbledon in 1992 and the U.S. Open last year.

"He was just too good for everyone and he deserves all the success he's gotten," Sampras said.

Then, choking back tears, he spoke to the crowd of his coach, Tim Gullickson, who apparently suffered another stroke last week when he became dizzy and lost his speech and vision for most of a day.

"I just want to let him know I keep thinking about him, and that I wish he was here," Sampras said. "I've been

praying for him the last couple of weeks.

Agassi praised Sampras' courage in playing through the emotional stress.

"I have to say what I witnessed Pete do in the past two weeks, with the difficulties about his coach, his courage on the court and off the court is absolutely inspiring," Agassi said. "We can all learn from what he did. He's a class act. I think he's shown these past couple of weeks why he is No. 1 in the world."

Gullickson watched the match at home in Wheaton, Illinois, after being discharged for the weekend from the University of Illinois at Chicago Medical Center. He is to have more tests Monday.

Professor James I. Ausman, the head of the center's department of neurosurgery, said that "at the present time, Tim is doing well and is undergoing tests to determine the cause of the events which sidelined him from tennis. At this time there is no evidence that he has a life-threatening disease."

Gullickson, who had two minor strokes in the past three months and became dizzy nine days ago in Melbourne, spoke with Sampras shortly before the final.

Agassi double-faulted, his second serve clipping the net and hopping past the service box, on set point in the first set after he had allowed only one point in each of his four previous service

games. He had his first two double-faults in that game and went to break point for the first time on a superb backhand slice down the line by Sampras.

It was the first time in four matches that Sampras had won the opening set, and the first set that Agassi had lost in the tournament.

But Sampras lost the 26-minute second set without much of a struggle. He double-faulted to start and was broken three times, the last with the help of the fifth of his six double-faults and Agassi's forehand crosscourt on break point.

"He's played well the whole tournament," said Agassi's coach, Brad Gilbert. "He came out and did what he wanted. He beat the guy he wanted to beat. He's improved a lot since the U.S. Open."

Gilbert called the third-set tiebreaker the pivotal moment of the match, and Sampras agreed. He lost all five tiebreakers he played in the tournament, and this one cost him the title.

"I felt like it was a strange match in that you never could be sure who had the momentum," Agassi said. "I felt like when you thought you had it, you didn't."

Sampras fell behind, 3-0, in the tiebreaker, won the next four points and served for the set at 6-4 with a brilliant reflex volley past a stunned Agassi.

Theo Agassi ripped a forehand return that nipped the net cord and skipped past Sampras for a winner. That was the first of four straight points Agassi won as he closed out the set with a backhand volley drop shot that spun away from Sampras.

Agassi pumped his fist and turned to Gilbert after that rare winner at the net, and Sampras slumped to his seat.

As weary as Sampras was, he still managed 13 aces in the fourth set, but despite three in the ninth game, Agassi broke him once more with a backhand pass on the final point. Agassi had just been picking his spots, and he picked this one to put Sampras away.

Agassi then closed out the match with an ace, after 2 hours, 36 minutes.

"If he stays healthy, he's a threat to win every major tournament of the year," Sampras said.

"I got over a real big hump with that U.S. Open victory," Agassi said. "That was a real big step for me. After the match, I looked up at Brad and he was already talking about the French."

Agassi, a baseliner whose game is perfectly suited to the French red clay, was runner-up in Paris in 1990 and '91.

"Ironically, the one I haven't won yet is the one I was favored in both finals," he said. "I want it."

Cup Trials Resume As Disputes Flare

The Associated Press

SAN DIEGO — The America's Cup crews began the second round of racing Sunday, still trying to digest the surprise firing of an Australian helmsman and amid increased tension between the Japanese and New Zealand syndicates.

During the official draw of the Louis Vuitton Challenger series on Saturday, the head of the Sydney 95 syndicate, Syd Fischer, would not discuss allegations that he had fired his helmsman, Chris Law, because of a clash over allegations that illegal changes had been made to Fischer's boat during the last race of the first round.

Nippon Challenge was to race Rioja de España in the first challenger's contest Sunday, followed by Team New Zealand against Sydney 95 and one Australia taking on NZL-39 of New Zealand. France 2 had a bye.

In the defender races, Young America was to race America3, and Stars & Stripes had a bye.

During the draw, Fischer refused to comment directly on claims that he had put a new rudder on his yacht for the race against Team New Zealand, and that the rudder had not been measured for the America's Cup. Sydney 95 retired on the last leg of the race.

"I certainly don't want to get into a defamation action, so I will leave it," Fischer said.

But in a prepared statement, he said: "Law was steering the yacht at the start and for more than 80 percent of the last race of round robin one. The implications of this are clear in the light of his allegations."

Fischer said he fired Law after he had made remarks in a San Diego bar.

"He became very emotional and reportedly made critical comments regarding the syndicate and some of the personnel, which, in another frame of mind, he may have regretted," Fischer said in the statement.

In the other Cup controversy, Team New Zealand had pro-

tested that Nippon Challenge had changed its first yacht so much that it should be considered a second boat. Under America's Cup rules, each team is limited to two yachts, so a successful protest would have barred the Japanese from using the new boat, which is due to arrive next month.

The America's Cup International Jury refused to rule on the legality of the alterations to JPN-30's hull on Saturday, on the grounds that the protest over the changes had been lodged too late. But Team New Zealand officials said they would investigate other ways to get a ruling on the issue.

Nippon Challenge has admitted making major changes to the yacht, but claims the alterations are allowed by the rules.

Nippon and Team New Zealand have neighboring compounds. The leader of the Team New Zealand syndicate, Peter Blake, said tensions were high.

"I don't think they like us very much at the moment, they must be worried," he said. "If they are concerned, are there any skeletons in the closet? Let's have a look."

Blake said the protest was not only about the Japanese.

"You could have the American defense syndicates frantically building dozens of hulls to clip onto an existing deck and that is absolutely outrageous," Blake said.

"It is unacceptable that the jury uses procedural technicalities to avoid dealing with issues that are crucial to this regatta," Team New Zealand's rules advisor, Sean Reeves, said after the jury announced its decision.

All seven foreign syndicates have altered their keels in preparation for the second round of challenger racing. Each race in this round is worth two points.

In the first-round trials, Team New Zealand won all six of its contests. NZL-39 won five, Nippon Challenge four, one Australia three, Sydney 95 two and France 2 one, with Rioja de España winless.

After the first round of the defender competition, Pact 95's Young America led with 5 points, Team Dennis Conner's Stars & Stripes had 3 and the all-women America3 had 1.

The third and longest leg of the BOC Challenge, the around the world race for solo sailors, began Sunday in Sydney in fine weather ahead of expected Antarctic gales and with the threat of icebergs.

Christopher Anguin of France, aboard his boat Sceta Calabron, had the overall lead after the first two stages. Steve Pettengill of the United States, aboard Hunter's Child, was 37 hours behind in second place.

In all, 14 competitors are still in the single-handed, 27,000-mile (43,000-kilometer) race. It began with a fleet of 20 on Sept. 17 in Charleston, South Carolina, which is also the final destination.

The oldest competitor in the race, Harry Mitchell, 70, of England, was to depart Monday on his yacht, Henry Hornblower. He stayed in port an extra 24 hours to shake off a virus.

Also not among the departing fleet was Isabelle Autissier of France. She was forced out of the race when her yacht was disabled by huge seas during the second leg from Cape Town, South Africa.

The 6,900-mile penultimate stage will take the yachts east across the Pacific, around the tip of South America, ending in Punta del Este, Uruguay.

Couples Holds On To Win in Manila

Compiled by Our Staff From Dispatches

MANILA — Fred Couples, surprised at his own success, shot a final-round, 1-under-par 71 on Sunday to win the Johnnie Walker Classic, his second straight tournament title.

Couples finished with a total of 11-under-par 277 over the 7,016-yard (6,408-meter), par-72 course at the Orchard Golf and Country Club.

Nick Price, the world's No. 1 player in 1994, fired a 70 for second place at 279. Robert Allenby of Australia, who shot a 71 for 280, finished third.

At least six players strongly challenged Couples, who won last week's Dubai Desert Classic. But in the final round, they all fell short under pressure.

"It seemed those chasing me were going crazy on the front nine," Couples said. "I just hung in most of the day and did my best to just play the course and not think of what the others were doing."

But Couples was not satisfied with his overall performance. "I didn't hit the ball very well at all," he said, "but my chipping and putting saved me and won me the tournament. I can't believe I made only one bogey all day."

Michael Campbell of New Zealand was tied with Couples after the first seven holes, but took a triple bogey seven at the par-4 eighth. He finished with a 73 for 281 and tied for fourth with Andrew Coltart of Scotland (70) and Greg Norman (69), the defending champion.

Colin Montgomerie, runner-up to Couples last week in Dubai and tied for third at the start of the final round Sunday, fell back to seventh with a 74.

Campbell, two behind Couples at the start of the round, started by pitching to six inches at the first and followed with a 60-foot eagle putt on the next.

When he birdied the long sixth Campbell led by one. But he promptly went into the lake at the eighth and three-putted for a triple bogey seven.

Couples, who has been in outstanding form for the past three months, will not be appearing on the European Tour again until the British Open in July.

Ben Crenshaw rolled in a 30-foot putt on the 18th hole to break out of a six-way logjam and take the lead after three rounds in the Phoenix Open.

Until his dramatic birdie on the final hole Saturday, Crenshaw was headed into the final round tied with Steve Lowery, John Adams, Vijay Singh, Billy Mayfair and Jim Furyk at 10-under-par 203.

Crenshaw's third round was modest — 1-under 70 — but the late birdie helped him alone for a double bogey-6 at No. 14 and dropped him to 202.

Behind the second-place cluster, John Wilson and Hale Irwin, a co-leader with Crenshaw at 10-under starting the round, were at 204, with Mark Calcavecchia, Steve Stricker, Steve Jones and Tom Watson three shots back at 205.

(AP, Reuters)

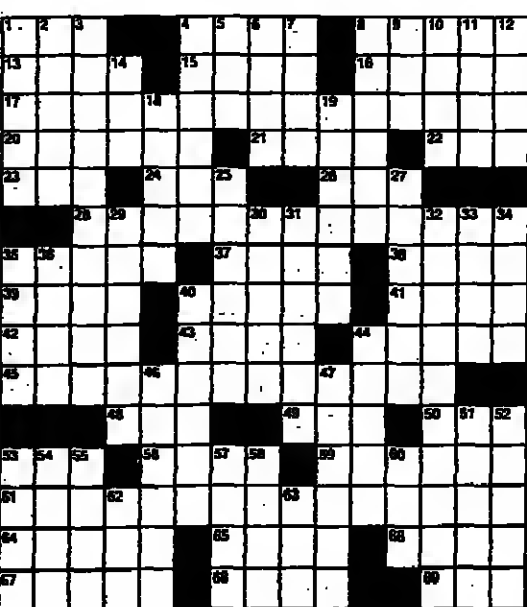
CROSSWORD

ACROSS
1 Person with a beat
4 Mafia kingpin
6 Keeps one's fingers crossed

13 Voiced
15 Prime draft status
16 Maine college town
17 Deal with quickly

20 Isolate, in a way
21 L.O.U.
22 Phila. clock setting
23 N.E.L. firmament
24 Prince Valiant's firstborn
25 ———— Moines
26 Save steps
27 Point one's finger at
28 Panorama
29 Too
30 Prefix with type
31 Address
32 Thompson oval
33 Traveling type
34 Mid-east chief
35 "Gypsies, Tramps & Thieves" singer
36 Politico
37 Jackson
38 Is easily riled
39 China's Chou En
40 Yang's partner
41 Ancient text
42 They give you a shot in the arm
43 Pre-1917 honcho
44 Gunter feature
45 Be cheated
46 Speechily
47 "Pretty Woman" star
48 "Alas"
49 Morocco's capital
50 Medical suffix
51 Elephant's weight, maybe

2 Long-armed ape, informally
3 Islamabad denizens
4 Hold fast
5 Enero to diciembre
6 Fringe benefits, for short
7 ———— of office
8 Owl
9 Hockey's Bobby
10 Jab
11 Country
12 Squeezable
13 ————
14 Misérables
15 Alloy, as thirst
16 Word before peak or walk
17 Indian rug
18 Wells Fargo vehicles
19 Unconcerned with right and wrong
20 East ———— (Manhattan resident)
21 Substantial, as a meal
22 Seal
23 Exploits
24 Ripped
25 Inisid
26 Peru's capital
27 Unstable person, slangily
28 Coup d'état group
29 Perfumed bag
30 Angles
31 Prefix with meter
32 Versifier Nash
33 Mr. Sikorsky
34 Actress Miles
35 Knife



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Solution to Puzzle of Jan. 27

BASK DESI MAVIS
LONI AXOM ELEGY
ANUN CIRC SEXED
BEGGARS BANQUET
SLOT ROUTS
JUSTIN ANTIS
EZIO BRACIT MAC
OINNERATTHERITZ
ISE VERSE ELEGY
BOWNE COCKER
OILED CHAR
AMOVABLEFEAST
AMOTI BELLEALLY
BENIN GAMA TEAR
USTING EDGE EXPO



Ben Crenshaw rolled in a

Fred Couples captured his second straight title on Sunday.

Emirates

Emirates

LANGUAGE

Goldilocks and the Dismal Science

By William Safire

WASHINGTON — Economics was labeled "the dismal science" in 1850 by the historian Thomas Carlyle, and its metaphors are suitably fearsome and depressing. An arrangement in the 1970s for exchange rates to fluctuate within a band within another band was called the *snake in the tunnel*, and the total of the unemployment and inflation percentages was called the *misery index*. In the '80s an aborted economic recovery was called a *dead cat bounce*. Even its euphemisms for recession give the users a sensation of seasickness, as in *rolling readjustment*.

How pleasant it was, in this sad trope-a-dope, to hear an economist introduce a happy figure of speech to the drooping discourse. It happened at a White House briefing this month, by Robert Reich, the secretary of labor, and Laura Tyson, the Council of Economic Advisers chair. (Tyson is the chairman of the group, and not a piece of furniture, but the official Clinton terminology labels her *chair*. Although the White House press office, in its releases, uses an *o* to spell *advisors*, her council styles itself *advisers*, the spelling preferred by Merriam-Webster's Collegiate, 10th Edition, and by American Heritage *Advisors* — perhaps influenced by *supervisor* — is listed first by Webster's New World Dictionary, Third Edition, giving cover to the White House press office and to the assistant to the president for national security affairs, Anthony Lake, who uses the controversial — or ending in spelling his informal title of national security advisor. However, most newspaper stylebooks, including that of The New York Times, use *advisor*, but who listens to the elusivity media and its culture of personal destruction anymore? Amid this babble, a voice of cool authority is needed. My advice: in this devolutionary political era, don't knuckle under to any White House spelling diktat: spell it *adviser*. Live free or die. End parenthesis.)

Standing next to Adviser Tyson, whose hair is auburn, Secretary Reich made his sunny hirsute contribution to economic jargon, referring to "the Goldilocks recovery" — not too hot, not too cold.

This catchy figure of speech is drawn, of course, from the story of "Goldilocks and the Three Bears," in which a hungry young blond woman breaks into the home of an absent family of carnivorous furry mammals. She samples their porridge, their chairs (the furniture, not their discussion leaders) and their beds. The comparisons invariably lead her to the bowl, chair and bed of the smallest bear, which in the case of the cereal was neither too hot nor too cold, and in the case of the furniture neither too hard nor too soft, but — *just right*.

The satisfaction of the bedtime story to the children of statisticians is in the discovery by

Goldilocks of the perfect mean. Even as the secretary of labor was purveying the just-right picture of a Goldilocks economy, an anonymous White House aide was telling Todd S. Purdum of The New York Times about growing out of childish things, and adopting a less certain view of the political scene after the takeover of Congress by Republicans: "A lot of this is still seeing through a glass darkly."

Some spinmeister in that White House reads the Bible. This expression comes from 1 Corinthians 13, in which the Apostle Paul writes: "When I was a child, I spoke as a child . . . but when I became a man, I put away childish things. For now we see through a glass, darkly; but then (we shall see) face to face." The point is that wisdom will come when a person wrestles with his personal angel and comes face to face with God's grace: "now I know in part; but then shall I know even as also I am known."

The phrase *through a glass, darkly* is used today to confess to uncertainty. But not even the most spiritually evocative phrase is above parody: Mark Twain, in his laconic of James Fenimore Cooper's obfuscatory prose a century ago, wrote about his target: "He saw nearly all things as through a glass eye, darkly."

"Allow me to join the herd of berpetologists," writes C. Leon Harris, professor of biological sciences at SUNY-Plattsburgh, "who are no doubt giving you a forked-tongue lashing for your definition of *newt*."

The faithful reader will recall a piece on *eye of newt*, an ingredient tossed into the witches' brew in "Macbeth." The creature whose eye was used, I explained, was "a small lizard related to the salamander and sometimes confused with a spotted eft." Belay that. "A *newt*, like the salamander, frog, and toad, is a member of a class of animals called *amphibians*," writes John Tucker of New York in collaboration with David Grow, a herpetologist with the Oklahoma City Zoological Park. "A *lizard*, on the other hand, is a member of an entirely different class of animals called *reptiles*."

Now let's clear up the confusion that has long been bothering me between the *newt* and the *eft*. Back to herpetologist Harris in Plattsburgh: "An *eft* is the adult terrestrial stage in the life cycle of an otherwise aquatic *newt*," apparently, when a newt grows tired of life in the water and climbs up on land, it becomes an *eft*.

Harris adds etymological illumination: "Considering an *eft* to be a *newt* is not the result of confusion. The word *newt* resulted from a misdivision of an *ewt*, which in Middle English meant an *eft*."

New York Times Service

Documenting Horrors of the Soviet Gulag

Korova, cow. Person intended for use as food; also barbed, barren. Completely unsuspecting, any novice criminal may play this role if senior comrades propose that he participate in an escape. The trust invested in this novice flatters him, and he usually agrees. If, during the escape, the escapees do not succeed in augmenting their diminishing stores, they sit the "cow's" carotid artery, drink his blood and eat the still-warm kidneys (it is dangerous during an escape to light a fire). If the escape turns out successfully, the novice will realize only much later what he has risked.

By Barry James

International Herald Tribune

PARIS — When historians come to write the definitive history of the former Soviet Union, they will need to turn to an obscure Frenchman for many of the inner details of the vast penal system that Alexander I. Solzhenitsyn called the Gulag Archipelago.

Jacques Rossi, 85, spent much of his life inside the Gulag as a "37er" — one of the hundreds of thousands arrested in connection with the Moscow show trials of 1937.

Out of the experience he fashioned "The Gulag Handbook" to describe in clinical terms the customs and underworld argot of a Hobbesian universe that contained up to 15 million people at one time.

Was it common for seasoned criminals to take young prisoners with them as an emergency food supply in case rations ran low during an escape? Oh yes, Rossi replies. Murder and cannibalism were considered far less heinous crimes than slandering the system — by claiming, for example, that German sausage was better than Soviet sausage.

Rossi lives alone with his memories in a small apartment on the outskirts of Paris. A regretted life? He gives an existentialist answer: "The Gulag was the logical consequence of my engagement as a Communist."

Posing as a wealthy Swede, Rossi was working as a courier for the Communist international underground, the Komintern, in nationalist Spain when the order, "Return to the village," came in 1937. His radio operator — a woman who pretended to be his wife — told him, "Don't go." But he said that a Communist had to obey orders without question.

Back in Moscow, Rossi's colleagues in the Komintern disappeared one by one, while those who remained averted their gaze. Finally, his turn came. The secretary to whom he used to bring presents of stockings and perfume called to tell him he was being sent back to Spain. But the black limousine that came to collect him took him instead to Lubyanka, the headquarters of the state security apparatus, where a blue-capped guard ushered him politely into the Gulag.

In her book "Within the Whirlwind," Eugenia Ginzburg described the process by which loyal Com-



Decades later, Jacques Rossi found his police photos in secret police files in Russia.

munist started by thinking they had been arrested by mistake and realized much later that their incarceration was deliberate. The same thing happened to Rossi. The first intimation that his arrest was not a mistake came when he realized that the form he was asked to fill in was headed, "Statement by the Accused." "The first question they asked was 'Do you know why you are here?'" he said. "The only thing that came to my mind was that I had not denounced my assistant in Spain for advising me not to return. I thought that perhaps she had informed on me."

"When they told me I was considered a French spy, I felt like laughing. In a few hours they would find out it was all a mistake and they would shake my hand and apologize. I would have told them, 'That's alright comrades. You can't be too careful these days.'"

WEATHER

Europe

City	Today	High	Low	Tomorrow	High	Low
Amsterdam	14-16	16	10	15-17	17	11
Antwerp	14-16	16	10	15-17	17	11
Brussels	14-16	16	10	15-17	17	11
Cologne	14-16	16	10	15-17	17	11
Düsseldorf	14-16	16	10	15-17	17	11
Frankfurt	14-16	16	10	15-17	17	11
Hamburg	14-16	16	10	15-17	17	11
London	14-16	16	10	15-17	17	11
Madrid	14-16	16	10	15-17	17	11
Munich	14-16	16	10	15-17	17	11
Nuremberg	14-16	16	10	15-17	17	11
Paris	14-16	16	10	15-17	17	11
Rome	14-16	16	10	15-17	17	11
Stockholm	14-16	16	10	15-17	17	11
Vienna	14-16	16	10	15-17	17	11
Zurich	14-16	16	10	15-17	17	11

Forecast for Tuesday through Thursday, as provided by Accu-Weather

City	Today	High	Low	Tomorrow	High	Low
Amsterdam	14-16	16	10	15-17	17	11
Antwerp	14-16	16	10	15-17	17	11
Brussels	14-16	16	10	15-17	17	11
Cologne	14-16	16	10	15-17	17	11
Düsseldorf	14-16	16	10	15-17	17	11
Frankfurt	14-16	16	10	15-17	17	11
Hamburg	14-16	16	10	15-17	17	11
London	14-16	16	10	15-17	17	11
Madrid	14-16	16	10	15-17	17	11
Munich	14-16	16	10	15-17	17	11
Nuremberg	14-16	16	10	15-17	17	11
Paris	14-16	16	10	15-17	17	11
Rome	14-16	16	10	15-17	17	11
Stockholm	14-16	16	10	15-17	17	11
Vienna	14-16	16	10	15-17	17	11
Zurich	14-16	16	10	15-17	17	11

Asia

City	Today	High	Low	Tomorrow	High	Low
Amsterdam	14-16	16	10	15-17	17	11
Antwerp	14-16	16	10	15-17	17	11
Brussels	14-16	16	10	15-17	17	11
Cologne	14-16	16	10	15-17	17	11
Düsseldorf	14-16	16	10	15-17	17	11
Frankfurt	14-16	16	10	15-17	17	11
Hamburg	14-16	16	10	15-17	17	11
London	14-16	16	10	15-17	17	11
Madrid	14-16	16	10	15-17	17	11
Munich	14-16	16	10	15-17	17	11
Nuremberg	14-16	16	10	15-17	17	11
Paris	14-16	16	10	15-17	17	11
Rome	14-16	16	10	15-17	17	11
Stockholm	14-16	16	10	15-17	17	11
Vienna	14-16	16	10	15-17	17	11
Zurich	14-16	16	10	15-17	17	11

In U.S., Dying Art of Penmanship Creates a Legibility Gap

By Lena Williams

New York Times Service

NEW YORK — These days, the handwriting on the wall can't be read. People are writing less and less, and legible handwriting is becoming as rare as the quill pen. Grown men and women are resorting to printing in order to make themselves understood.

"I usually print when I write on a medical chart," said Dr. Carole H. Miller, a cancer specialist in New York and member of a profession notorious for impossible-to-read handwriting. "I print because my penmanship has gotten worse over the years."

Handwriting experts attribute the decline in penmanship to various factors, from the growing use of computers at work and at home to an increasing reliance on the telephone. A nation of harried people doesn't write letters.

Part of the legibility problem is the fact handwriting itself is changing. And ethnic diversity has brought new lettering: There are Greek E's, for example, which look like a backward 3s, and European 7s, which

are written with a line across the staff.

Educators, calligraphers and graphologists, the people who analyze character through handwriting, are seizing the opportunity of National Handwriting Week to champion the virtues of good penmanship. Without the ability to write, they say, the only history would be oral, and they emphasize the influence early childhood writing skills on drawing and crafts.

"Regardless of how computerized our society becomes, I shudder to think what will happen if we eliminate penmanship," said Rose Matousek, the editor of the American Handwriting Association's newsletter, *Dialogue*, a six-times-a-year publication with a circulation of 400. "Yet we're seeing more and more youngsters who fail to get beyond the printing stage."

Whether a signature is legible or not is sometimes not the issue. The authenticity of a signature came up last year when Darryl Strawberry was accused of failing to report income from autographs and personal appearances. Strawberry has said that the signature on some baseball cards

bearing his picture may have been forged.

There is even a sneaking suspicion among handwriting experts that people are writing badly on purpose. "It seems like the goal is to write as illegibly as possible," said Charles Hamilton, a New York autograph dealer and appraiser. "Penmanship certainly is not very necessary anymore because everything is computerized. What passes for handwriting today is simply frightening."

Handwriting aficionados say they aren't aspiring for perfect script. Just writing that doesn't require an interpreter to read.

In the 19th century, thousands of would-be John and Jane Hancock enrolled in private penmanship classes. Good handwriting was considered a measure of intelligence and the mark of social status as well. As recently as the late 1960s, teachers handed out good penmanship awards.

Now, penmanship is not stressed as much. Instead of tediously copying the Spencian S, students can simply change the typeface commands on their computers, and voilà: the perfect Spencian S.

The Left Bank

Fine cuisine

Romantic sunsets

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Belgium 0-800-100-10

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